

THE WEATHER — PARIS: Tuesday, heavy rain, fair later. Temp. 4-11 (34-52). LONDON: Tuesday, heavy rain, fair later. Temp. 4-11 (34-52). CHICAGO: Tuesday, heavy rain, fair later. Temp. 4-11 (34-52). NEW YORK: Tuesday, heavy rain, fair later. Temp. 4-11 (34-52). WASHINGTON: Tuesday, heavy rain, fair later. Temp. 4-11 (34-52). ADDITIONAL WEATHER DATA — PAGE 12

Sanctions Hurt, Says Rakowski

But No Change Set for Policy

By Dan Fisher
Los Angeles Times Service

WARSAW — Western economic sanctions against Poland are hurting and will slow the country's economic recovery from its crisis, but they "will not force us off the path we have adopted," a top government official said here on Monday.

Speaking at a press conference, Deputy Premier Mieczyslaw Rakowski also criticized the West for presuming to define the necessary dialogue among various factions of Polish society and called demands for the release of internees "unrealistic."

The government official sidestepped questions about negotiations with Lech Walesa, the Solidarity leader being held by the government, and specifically ducked a question as to whether weekend reports that the government had decided to release him in the next three weeks were true.

The reports were based on remarks attributed to Stefan Stanislawski, Poland's ambassador to Britain. Separately, a government spokesman denied that any such decision had been made.

"Consensus" Attained

However, Roman Catholic Church sources said on Monday that preparations were under way to move Mr. Walesa into church custody at a palace near Warsaw. The sources gave no indication of the possible timing of such a move, however.

Poland's minister for trade union affairs, Stanislaw Ciosek, was quoted in an English-language broadcast of Warsaw radio as saying in a message to Lech Walesa that the government has "attained a consensus" with Solidarity leaders over "the future of the union movement."

While Mr. Ciosek said that he had met with Mr. Walesa several times as well as with other Solidarity leaders, his remarks did not make clear whether Mr. Walesa was in agreement with him.

Mr. Ciosek indicated that unions will be reactivated, but that they would "have to serve the best interests of the working people."

Mr. Rakowski refused to characterize the results of Mr. Ciosek's meetings with Solidarity activists, although he reminded journalists that union activities remain suspended for the duration of martial law.

Mr. Walesa has reportedly refused to negotiate with the government unless he is allowed to be accompanied by his key advisers. Mr. Rakowski said that in all talks the Solidarity chief has held with Mr. Ciosek to date, he has had no such advisers.

Mr. Rakowski said that he was amazed by statements attributed to Sen. Larry Pressler, a South Dakota Republican, who said at the weekend that Poland's Roman Catholic primate, Archbishop Jozef Glemp, had told him that Mr. Walesa was demanding that the government "get down on its knees and apologize" for the martial law decision.

"Nothing of this sort has reached me," Mr. Rakowski said, "but it is making such demands." Mr. Rakowski told newsmen.

He added that it might be possible to overcome the current political crisis without Mr. Walesa, but cautioned that newsmen should not read his statement to be a rejection of Mr. Walesa or an indication that "there will be no Solidarity."

Solidarity's Underground Strategy



Zbigniew Bujak

Head of Warsaw Chapter, in Hiding, Puts Stress on Peaceful Resistance

By John Dannton
New York Times Service

WARSAW — The highest-ranking Solidarity leader who is still at large has declared in an interview that the union is continuing its activities underground and is prepared for a long struggle to fight for democracy and to overcome what he called military dictatorship.

The union official, Zbigniew Bujak, insisted that the struggle must be conducted through peaceful resistance. "I see that the current situation leads itself very much toward the organization of terrorism, and I fear that very much," he said.

Mr. Bujak, 27, the head of the Warsaw chapter of Solidarity and a man whose popular appeal has made many unionists think of him as a successor to Lech Walesa as the union's leader, is in hiding somewhere in Poland. The interview, the first he has given since the military crackdown began, was

conducted by submitting questions through a complicated chain of intermediaries so his whereabouts was not revealed.

Mr. Bujak, whose handwriting is known to this correspondent, told of his escape in the early hours of Dec. 13, when most of his colleagues were rounded up by the police, and he provided details about the union's current activities. He also answered what he called a "brutal question": Should Solidarity have done anything differently to avoid a confrontation?

Tragedy in Wisdom

"My answer, too, will be brutal," he said. "I know that many Western politicians believe that if we had been wiser we could have avoided this tragedy. But I also know that what they call wisdom for us meant collaboration with the state and party authorities — a collaboration that would have been directed against the workers, the intellectuals, the men of culture and the arts. We would have

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Police officials wait by the covered body of Lt. Col. Charles R. Ray, the assistant U.S. military attaché slain Monday in Paris.

Gunman Slays U.S. Colonel in Paris Ambush

By Joseph Fitchett
International Herald Tribune

PARIS — A U.S. military attaché in Paris, Lt. Col. Charles R. Ray, was slain Monday by a man who escaped after firing a single shot at close range outside the victim's home.

The assassination was a cool, efficient version of an attack last November on a Paris-based U.S. diplomat. That diplomat escaped injury.

A statement in Beirut claiming responsibility for Col. Ray's murder indicated possible Arab involvement. But there was no immediate hard evidence about the assassin's real identity or motives, French police sources said.

It was the latest in a series of attacks in recent months on U.S. military personnel and installations by terrorist groups in France, West Germany and Italy, where Brig. Gen. James L. Dozier is being held by the Red Brigades.

So far, the attacks appear unconnected, U.S. investigators said. A White House spokesman said in Washington that Col. Ray's murder was "a tragic outcome of the spread of terrorism throughout the world."

In the Paris shooting, speculation about an Arab role was fueled by French police comments about similarities between Mr. Ray's murder and the unsuccessful attempt two months ago against Christian Chapman, deputy chief of mission at the U.S. Embassy.

At the time, U.S. Secretary of State Alexander M. Haig Jr. cited the attack in connection with reports that Libya was threatening to harm U.S. officials.

The killing of Col. Ray was claimed in Beirut late Wednesday in a message from a group calling itself the "Lebanese Armed Revolutionary Faction." A similar message was released in Beirut after the attack on Mr. Chapman.

Midwest governments sometimes use fictitious terrorist groups as fronts for their activities.

The execution of the American Charles Ray, a message said, was a reprisal because of a U.S.-sponsored agreement to "defeat and slaughter us." It was unclear



Lt. Col. Charles R. Ray

whether the message referred to the suspended U.S. strategic pact with Israel or to U.S. efforts, in parallel with French diplomatic efforts, to shore up the Lebanese government against Palestinian factions and Syrian influence.

In Washington, Mr. Haig expressed sympathy for the victim's family and "revulsion" for the assassin. He said that the attack would not inhibit the United States from continuing to carry out diplomatic activities in France and elsewhere.

Mr. Haig said the attack "strengthens my belief that terrorism is one of the most serious problems of our times and one which all civilized nations must redouble their efforts to combat."

Only One Witness

Col. Ray, 43, dressed in civilian clothes, was slain as he left his apartment in the 16th arrondissement to drive to the embassy Monday morning. The gunman, apparently familiar with Col. Ray's daily routine, was waiting in a doorway near the victim's car, which was marked with diplomatic plates.

Col. Ray was shot once in the head. The sound of the gunshot was drowned out by the noise of nearby workmen using jackhammers, neighbors said. A concierge found the victim lying face up with a wound in his forehead.

The only witness was quoted by police as saying the gunman bent over Col. Ray's body to confirm that he was dead, then walked briskly away. A spent cartridge and a surgical glove were found at the scene.

Like Col. Ray, Mr. Chapman was stalked as he left home for work. But Mr. Chapman spotted the man advancing on him and ducked behind his car to safety as the gunman fired six shots at him. In both cases, the weapon was a 7.65-mm pistol.

On the day Mr. Chapman was attacked, several embassy officials reported suspicious activities around their homes resembling attempts to track their movements. One person who suspected he was under terrorist surveillance was Defense Attaché Brig. Gen. Christian Patten, the top-ranking military man in the embassy and Col. Ray's boss.

Security precautions had been stepped up around top-ranking U.S. diplomats in Paris, but it is

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New Soviet Document Portrays U.S. as Threat to Peace

By Dusko Doder
Washington Post Service

MOSCOW — The Soviet Union has published a detailed document on U.S. military strength in a new and extraordinary effort to convince Europeans and Americans that President Reagan's policies are threatening world peace.

The document, issued by the Soviet Defense Ministry, depicts a huge and expanding U.S. military machine in the hands of a reckless administration bent on achieving strategic superiority over the Soviet Union.

The notion that the Americans are embarked on achieving first-strike nuclear capability is the centerpiece in the 78-page booklet published in Russian and six other languages including English and Italian.

Tailored for a popular audience, the booklet is full of comparisons of strategic and conventional forces of the two superpowers, challenging Reagan administration contentions that the Soviet Union has achieved military superiority over the United States.

The publication concedes Soviet

advantages in some areas, such as ground forces, but contends that the United States is well ahead in warships and aircraft carriers, combat planes and foreign military bases.

The authors say that the booklet was prepared as a response to a Pentagon study of Soviet military power issued last September. Largely due to its lack of systematic comparison, the Pentagon document created the impression of almost overwhelming Soviet military might.

"See for Themselves"

Significantly, the Russians did not challenge any facts in the Pentagon study. Rather, they said, they wanted to counter "intentionally selected and deliberately distorted" information about Soviet strength "to show the military potential of the other side so that true conclusions could be drawn on the basis of comparative data."

Along with data provided by Soviet intelligence sources, the booklet uses facts and figures from official U.S. publications and the London-based International Institute for Strategic Studies. Western experts said information was gener-

ally in line with data available in the West.

The content is consistent with the message the Kremlin leaders have been trying to convey to Western Europe. "People in the West," it concluded, "will be able to see for themselves where the threat to peace really comes from" after reading the booklet.

Illustrating the "offensive" character of U.S. strategic doctrine, it quoted Mr. Reagan's October, 1981, statement about a possible limited nuclear exchange. It said that the "defensive" character of Soviet doctrine was made clear in President Leonid I. Brezhnev's statement condemning any use of nuclear weapons as a "capital crime against humanity" and vowing that the Soviet Union will never be the first to use them.

At the moment, according to the booklet, the two superpowers, "like the countries of Europe belonging to the opposite military alliances, are at a point of relative equilibrium in military capabilities."

But the United States has refused to ratify the SALT-2 agreement and the Reagan administra-

tion is seeking to "upset the equilibrium" to gain superiority.

The Russians cited as proof of hostile U.S. intentions the development of MX and Trident-2 missiles which they described as first-strike weapons.

As part of an "aggressive, confrontational strategy," it continues, the United States plans to deploy new medium-range nuclear rockets in Europe.

In particular, Pershing-2 missiles with a range of 1,700 miles and "pinpoint accuracy" could strike Soviet targets within "five to six minutes of launching," which "alters the strategic situation considerably."

The report made these points and contentions:

- It conceded that the Soviet Union had an advantage in ground forces but said this was due to the country's huge frontier and to the threat from China "with its growing nuclear potential and the largest army in the world."

- While conceding "improved" technical and combat capability of the Soviet Navy, it noted that Western countries have 75 aircraft carriers "and air capable ships" while Moscow has only two, "de-

signed principally for anti-submarine warfare."

- While the Warsaw Pact nations have "more small surface ships" with a limited cruising range," the report said that the NATO countries have "almost three times as many battleships, cruisers, destroyers and missile frigates."

- Warsaw Pact nations have an advantage in the number of submarines, 385 compared to NATO's 279, and a substantial advantage in the number of minesweepers.

- NATO has 3,173 sea-based combat planes and helicopters compared to 1,126 for the Warsaw Pact.

- The United States has about 1,500 military installations in 32 countries, most of them situated around the Soviet Union. It also said that the U.S. military has been paying a great deal of attention to setting up in advance weapons and combat equipment depots in various theaters of war.

- The United States is the world's principal arms merchant, accounting for 45 percent of world arms sales while Western Europe accounts for 20 percent.

Sharon Says Egypt Will Let Israelis Remove Sinai Material After Pullout

By William Claiborne
Washington Post Service

JERUSALEM — Defense Minister Ariel Sharon said Monday that Egypt has agreed to let Israel remove equipment in the Sinai peninsula after the scheduled April 25 withdrawal deadline because of threatened clashes with militant Jewish settlers.

Mr. Sharon, who is in Cairo negotiating final details of the Sinai withdrawal, told Israeli journalists there that a formal agreement has not been reached on the post-withdrawal dismantlement request, but that the Egyptians said they had no objection in principle.

Protest at Yamit

Earlier, Kamal Hassan Ali, the Egyptian foreign minister, had said that after April 25, no Israelis would remain in the Sinai. He said that Egypt expected all equipment to be removed before then.

Attempts by Israeli authorities to dismantle greenhouses and other equipment at agricultural settlements in the northern Sinai have been blocked by militant settlers.

The nationwide strike call shaped up as the first major test of strength between Mrs. Gandhi's forces and the opposition since she returned to power two years ago.

Eight central trade unions affiliated with opposition political parties announced the strike as a protest against "anti-labor policies" of the Gandhi government and rising prices.

The organizers specifically demanded repeal of controversial laws permitting detention without trial for up to 12 months and banning strikes in essential sectors.

Prime Minister Piere Mauroy called in several ministers and their chief aides for two urgent sessions to work out new legislation to meet the court's objections. Despite his determination to get the changes passed quickly, however, the ruling has imposed a delay of at least three weeks in promulgation of nationalization laws that are the mainstay of President

of the "Stop the Sinai Withdrawal" movement. Members of that group have moved squatters into settlements and have begun planting new crops, apparently in anticipation of success of their campaign to force the government to suspend the Egyptian-Israeli peace treaty.

Also, settlers at Yamit, a resort town along the Mediterranean, have prevented the government from dismantling and relocating a war memorial to Israeli soldiers who died in the northern Sinai in the 1967 war.

Also, Mr. Sharon said in an interview broadcast on Israeli Army radio in Jerusalem that Egypt has no objection to the positioning of members of the U.S.-sponsored multinational peacekeeping force on two small but strategically located islands in the Tiran Straits. The islands are at the entrance of the Gulf of Aqaba between the Sinai and the Saudi Arabian coast.

The uninhabited islands Tiran and Sinaia were turned over to Egypt by Saudi Arabia in 1953. There has been concern in

the Israeli government that Saudi Arabia may resume control of them after April 25 and possibly use them to block the Gulf of Aqaba.

Mr. Sharon said the Egyptians agreed that the islands are within a zone to be controlled by the multinational force. He said Egypt has no objections to a peacekeeping contingent controlling them. Details of that agreement are yet to be worked out, he said.

Border Town Discussed

Mr. Sharon said he discussed with Mr. Ali and other Egyptian officials the problem of the international boundary splitting in half the northern Sinai town of Rafah, and the economic and social dislocation that could result.

Mr. Sharon said there was no agreement on the Rafah question, but that the matter was referred to a military committee. He said he was opposed to the dividing of families and the transfer of populations that would result from adherence to the boundary that runs through Rafah.



Kamal Hassan Ali, right, the Egyptian foreign minister, greeted Ariel Sharon, the Israeli defense minister, Monday in Cairo. The two had talks on Israel's withdrawal from the Sinai peninsula.

India Reported To Hold 6,000 in Bid to Crush Strike

The Associated Press

NEW DELHI — More than 6,000 trade union activists, opposition politicians and "anti-social elements" were reported under arrest in India Monday night as Prime Minister Indira Gandhi's government moved to crush a 24-hour national strike called for Tuesday.

The United News of India compiled the total from separate state reports. The agency said the roundup was continuing as paramilitary troops massed at major industrial centers.

The nationwide strike call shaped up as the first major test of strength between Mrs. Gandhi's forces and the opposition since she returned to power two years ago.

Eight central trade unions affiliated with opposition political parties announced the strike as a protest against "anti-labor policies" of the Gandhi government and rising prices.

The organizers specifically demanded repeal of controversial laws permitting detention without trial for up to 12 months and banning strikes in essential sectors.

After Dual Setback, Next Vote Worries French Socialists

By Edward Cody
Washington Post Service

PARIS — The government suspended stock market trading Monday on companies about to be nationalized and moved swiftly to rewrite portions of its takeover program, which has been rejected as unconstitutional by France's highest court.

The freeze was designed to prevent an avalanche of buy orders on the companies, whose stockholders are in line to receive substantially higher compensation as a result of the court decision Saturday attacking the Socialist government's reimbursement plan as unfair.

Finance Minister Jacques Delors ordered trading suspended for the affected companies until a new plan is worked out.

Loss of Face

Prime Minister Piere Mauroy called in several ministers and their chief aides for two urgent sessions to work out new legislation to meet the court's objections. Despite his determination to get the changes passed quickly, however, the ruling has imposed a delay of at least three weeks in promulgation of nationalization laws that are the mainstay of President



Pierre Mauroy

François Mitterrand's economic platform.

This setback was accompanied by the loss of four by-elections Sunday to the conservative opposition. Mr. Mitterrand's Socialists still enjoy an absolute majority in the 491-seat National Assembly. But the defeats in the first electoral test since the Socialists' rise to power marked a highly visible loss of face for a government that had been riding high since presidential

and legislative sweeps last May and June.

In what was seen as a measure of the embarrassment, Mr. Mauroy and his ministers remained uncharacteristically silent. The opposition issued a number of statements interpreting the results as a disavowal of Mr. Mitterrand's policies.

Some political analysts suggested that Saturday's court decision could have played a role in Sunday's vote. By finding fault with the nationalization program, the court seemed to bolster opposition arguments that the Socialists are proceeding recklessly into an economic adventure that will end up costing the country dearly, the analysts said.

Whatever the connection, the court decision and the electoral losses combined raised the danger of slowing the government's momentum at a time when Socialist politicians say they are already hearing complaints from constituents that the practical effects of Mr. Mitterrand's policies seem slow in coming.

Complicated Change

By decree, Mr. Mauroy has reduced the legal workweek from 40 to 39 hours and increased the legal vacation period from four to five weeks a year. But with unemployment having climbed several hundred thousand over the 2-million mark and with inflation slightly up at 14 percent, the nationalizations would be the most spectacular change flowing from the Socialist victory. Mr. Mauroy had planned to have the laws promulgated Wednesday and simultaneously announce the names of new presidents for the banks and companies taken over.

Secretary of State Jean Le Garrec, who is in direct charge of na-

tionalizations, said these plans now will have to be put back by more than a month, though other officials predicted that the laws could be revised and the contested sections pushed through the assembly again in three weeks.

The most complicated change involves compensation for stockholders. The court ruled that Mr. Mauroy's plan was unfair on this point mainly because it failed to take into account dividends for profits in 1981, but also because of other features of the way stocks were evaluated.

Preliminary estimates Monday said addition of the 1981 dividends alone could cost the government the equivalent of \$360 million, with recalculation of stocks' value another costly addition to the total compensation bill of about \$5.6 billion.

Two other portions of the nationalization plan rejected by the court were less sweeping. One exempted mutual banks from nationalization even if their deposits were above the threshold for nationalization of other banks. Only three banks fell into this category, however, and their nationalization was expected to make little difference.

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INSIDE

Taiwan Arms

Only slightly mollified by the Reagan administration's decision not to sell advanced U.S. warplanes to Taiwan, China intends to press the United States for a commitment to reduce and finally to end all arms sales to the island, Chinese officials said. Page 3.

Greek Change

The Greek Socialist government is extending its drive for social change by seeking the abolition of adultery as a crime punishable by imprisonment. The bill is part of the Socialist drive to revise the family law and penal code. Page 3.

Japan Trade

Secretary of State Alexander M. Haig Jr. delivers a strong warning to Japan's top trade representative as the Japanese report their 1981 trade surplus with the United States almost doubled from 1980. Page 7.

WORLD NEWS BRIEFS

Koivisto Landslide Victor in Finland

HELSINKI — Premier Mauno Koivisto became Finland's first Socialist president Monday night in a Social Democrat landslide that even he had not expected. With 91 percent of the vote counted, the acting president's Social Democrats had won 146 of the 301 seats in the electoral college, five short of an absolute majority.

Mr. Koivisto's electors had received 43.1 percent of the votes cast, far more than his best pre-election poll indication of 37 percent. A record 88.5 percent of the 3.9 million registered voters cast ballots.

Mr. Koivisto claimed victory, saying that the Communist Party had promised him the other five seats if needed. The other seven official candidates conceded. In a statement characteristic of his low-key campaign, Mr. Koivisto proclaimed the landslide victory "fairly satisfactory."

Mr. Koivisto has been acting president since Urho Kekkonen, 81, resigned last October after 25 years in office.

4 Pilots Die as U.S. T-38 Jets Collide

INDIAN SPRINGS, Nev. — Four pilots were killed Monday when four jets practicing for the Air Force's Thunderbird precision team collided in the air, authorities said.

The four twin-engine T-38 jet trainers were practicing at the auxiliary station of Indian Springs Air Force Base for the upcoming season of air shows starting in March when they collided, said a spokesman at Nellis Air Force Base, 40 miles (75 kilometers) northwest of Las Vegas.

A board of officers was being formed to investigate the accident, the spokesman said. Last year, two Thunderbird pilots died in crashes. A total of 18 pilots have now died in the 29-year history of the team.

U.K. Miners Appear Split on Strike

LONDON — Britain's 240,000 coal miners appeared Monday to be split on whether to launch a national stoppage for more money as unofficial counts on a strike ballot indicated a wide rejection of industrial confrontation with Prime Minister Margaret Thatcher's Conservative government.

The Times of London reported that the final result, expected later this week, will likely be "finely balanced," despite earlier predictions by militants of an overwhelming vote for strike action.

As the threat of a paralyzing winter coal strike apparently receded, 25,000 locomotive engineers returned to work after a 24-hour strike Sunday, their second national shutdown in five days.

EEC Farm Price Decision Delayed

BRUSSELS — The Common Market Commission Monday postponed a decision on its 1982-83 farm price proposals to give European Economic Community member countries more time to resolve their dispute over budget reform, EEC sources said.

The 14-member EEC executive body was to have decided Monday on how much more it thought the community should pay this year in guaranteed prices to its 8 million farmers. But at a morning meeting several commissioners urged that a decision be put off until after a meeting of EEC foreign ministers next Monday, the sources said.

The foreign ministers, charged with negotiating a major overhaul of the EEC budget, ended the last round of their talks on Friday, still split over cash rebates to Britain and milk subsidies to farmers. But diplomats believe that sufficient progress has been made to make a solution possible at next week's meeting.

U.K. Panel Backs Canadian Charter

LONDON — The British Parliament should approve a request by the government of Canadian Prime Minister Pierre Elliott Trudeau to give his country complete control over its constitution, an all-party House of Commons committee on foreign affairs said Monday.

The endorsement by the committee was expected to speed passage in Parliament of a measure to send the British North America Act to Canada. That document, written in 1867, established the Canadian confederation and has served as the Canadian constitution.

All of Canada's provinces except French-speaking Quebec on Dec. 2 approved a resolution by Mr. Trudeau asking Britain to send the document to Ottawa. If the British Parliament approves the request, it will remove the last vestige of British colonial authority over Canada.

China Expected to Seek a U.S. Commitment To Curb, Then Halt Sale of Arms to Taiwan

By Michael Parks
Los Angeles Times Service

HONG KONG — Only a little mollified by the Reagan administration's decision not to sell advanced U.S. warplanes to Taiwan, China intends to press the United States for a commitment to reduce and finally to end all arms sales to the island, according to Chinese officials here.

Peking believes that Washington reneged on a firm promise to discuss the arms question again before making any decision on major sales, particularly of aircraft. Although President Reagan refused to sell advanced fighter-bombers, deciding instead to provide on a replacement basis an airplane

Taiwan already has, China regards failure to consult as a serious breach of trust.

"Sino-American relations must be carefully assessed in the wake of this unilateral U.S. decision," a well-informed Communist official here said Sunday. "First, there is the issue of the arms sales themselves—how long they will continue, what their nature will be in the future, how this will affect Taiwan's reunification with the motherland."

"Equally important is the development of Sino-American relations—what value does Washington place on relations with China, will it continue to dictate terms of the relationship to us, will it honor

promises it makes? These are questions that the Reagan administration's behavior has put before the Chinese leadership."

Peking may try, however, to turn its anger over the F-5E sale to advantage and seek as compensation a U.S. commitment on reducing and eventually ending future arms deliveries to the Chinese Nationalists on Taiwan. A leading member of the Communist hierarchy here put it this way: "We do not accept that the sale of the F-5E rather than the new FX fighter was a concession; on the contrary, we think you owe us one now."

That point was reportedly made to John Holdridge, assistant secretary of state for East Asia, who

found himself explaining to Chinese officials a decision they had already learned about in U.S. news media. "It was a farce," an editor of one of Hong Kong's Communist newspapers said of the Holdridge mission. "It was a trip begun in bad faith because the decision for which Holdridge came to consult had already been made, and even announced, and the White House was boasting it would be bullied by the Chinese."

Chinese media commentaries following Mr. Holdridge's departure Thursday have described as "preposterous," "stupid" and "complete hogwash" the administration's assertions, which Mr. Holdridge had conveyed, that the decision not to sell Taiwan any advanced warplanes was a major concession to China.

The commentaries have also underscored Peking's anger over the way the U.S. decision was reached. "This is still a bitter pill, and the Reagan administration is still trying to force it down our throats," a radio commentator said.

A well-informed Chinese Communist Party representative here cautioned Sunday against dismissing those comments as "pro forma protests," as an U.S. Embassy official in Peking characterized them.

"We have said time and again this is a matter of principle for us, and while there definitely is room for compromise a resolution must first of all recognize Chinese sovereignty over Taiwan," he said. "The Reagan administration's solution, selling Taiwan F-5Es, might have been understood had there been any acknowledgement of the principles, but it came as an American dog."

The Reagan administration is betting that the benefits China gets from developing U.S.-Chinese relations will outweigh any anger over the decision and that Peking will accept what was intended as a major concession.

Chinese commentaries indicate that is Peking's most likely course. There has been no reference to any "downgrading" of relations and only one to possible "retrogression."

But informed Communist sources here said that does not reflect Peking's final judgment, only the initial reaction before a full discussion within the top party leadership. Deng Xiaoping, the powerful party deputy chairman who was the architect of the normalization of U.S.-Chinese relations three years ago, is likely to find himself under attack and may have to yield to critics wanting a harder line toward the United States, sources here speculated.

The Chinese news agency said in a commentary at the end of Mr. Holdridge's visit that the issue of U.S. arms sales to Taiwan had "reached a point calling for an immediate solution, and the Sino-American relationship is facing a rigorous test."

Although Peking would never openly agree to any U.S. arms sales to Taiwan, the Reagan administration's unilateral decision undercut the position of moderates within the Chinese hierarchy who had placed their confidence on Secretary of State Alexander M. Haig Jr.'s promise of further talks before a decision was made. Now, those moderates believe they have been let down, and may appear foolish and perhaps even deliberately duped, according to Communist sources here.

Delay in Polish Debt Repayments Could Add to U.S. Budget Deficit

By Dan Morgan
Washington Post Service

WASHINGTON — Poland's financial difficulties could add more than half a billion dollars to the U.S. budget deficit in the current fiscal year, according to Reagan administration officials who are battling to narrow the gap between spending and revenues.

The half-billion-dollar figure assumes that Poland's central bank will be able to pay only a small part of the \$658 million in principal and interest owed to two main U.S. government lending institutions, the Commodity Credit Corp. and the Export-Import Bank, in fiscal 1982. Many financial experts say they doubt whether Poland will be able to come up with all it owes.

The Polish military regime has already asked Western governments to refinance loans due in 1982. This would postpone repayment, a step that would reduce U.S. budgetary receipts and increase federal outlays to private U.S. banks whose loans are guaranteed by the government.

The possible shortfall in receipts from Poland would come just as the administration is cutting a number of domestic programs half a billion dollars and more to reduce the budget deficit.

The principal and 90 percent of the interest owed to U.S. government lenders in the 1981 calendar year, financed in this way was charged against the 1981 budget. But officials of the Office of Management and Budget and the Commodity Credit Corp. say Poland will have larger obligations coming due in 1982 because of substantial private bank loans guaranteed by the government over the past 24 months for purchases of U.S. agricultural commodities.

A delay in repayment of the Polish debt would affect the federal budget two ways.

First, a postponement of repayment of U.S. government credits reduces the amount of revenue coming in. In fiscal 1982, Poland is supposed to pay back \$310 million to the Commodity Credit Corp., the Agriculture Department's bank, and another \$40 million to the Export-Import Bank. If that money is not paid, it will have to be made up by government borrowing.

Second, the government has to make outlays to private banks to cover loans it has guaranteed. In fiscal 1982, loans amounting to \$308 million, guaranteed by the Commodity Credit Corp., are coming due.

So far, according to Robbie A. Brammer, the Commodity Credit Corp.'s treasurer, no claims have been made by the banks. But the body is obligated to cover them if they come in.

The Commodity Credit Corp. will get this money back starting in 1986 under the terms of the refinancing agreement. But in the meantime, the loss of receipts and the outlays to the banks show up in federal budgets whose deficits have become a major political issue in the Reagan administration's economic program.

The uncertainty about Polish repayments has arisen as the Commodity Credit Corp. is running short of funds to run the domestic farm programs that are the core of its operations.

Vietnam Veteran

Col. Ray has been at the Paris embassy since mid-1980. He was one of four assistant military attaches in the 12-man team in the defense attaché's office. He was a decorated veteran of the Vietnam War, his only previous overseas assignment.

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Solidarity's Peace Tactics: A View From Underground

(Continued from Page 1)

became another annex of the totalitarian system, creating only an impression of democracy. This must not be demanded of us or of our Solidarity union."

"But let me expand on the subject," he continued. "Many people compared the construction of Solidarity to a revolution. But this revolution precluded the use of force and kept the arrangement determining the Polish raison d'état—economic cooperation, the leading role of the Polish United Workers Party."

"It was supposed to allow the party and government authorities to reform the system of rule in the country and find a new formula for the leading role of the party taking into account the social changes that were occurring. It is known now that nobody was thinking about such changes and reforms and that our hopes—that we would find even a token of good will on the other side—were illusory. It's clear the current situation could not have been avoided."

Mr. Bujak, a former paratrooper, said that he was now in contact with union activists from Gdansk, Wroclaw, Lodz and other regions and that the union was reorganizing. He said the leaders in hiding were considering calling a national warning strike to demand the lifting of martial law and the release of Mr. Walesa, who is under house arrest, and of other union leaders. Attempts to bring union leaders to trial or to expel them from Poland would bring a strike, he added.

Opposition Growing
The first shock of martial law has passed, he said, and now spontaneous opposition is growing. As examples, he said that there was passive resistance against political dismissals in factories, that intellectuals were turning in their party cards, that people were handing together to refuse to sign loyalty oaths and that artists and performers were refusing to cooperate with state-controlled radio and television.

"If this decisive resistance continues—and there is a chance that it will escalate—I see a real possibility of stifling the dictatorship or at least bringing about its liberalization and returning rights to the dissolved and suspended organizations," he said.

Mr. Bujak returned several times to the theme that the confrontation that culminated in the imposition of martial law on Dec. 13 was inevitable, given the hard-line stance of the authorities, at least bringing about its liberalization and returning rights to the dissolved and suspended organizations.

Asked his reaction to the request by his son, Artur, for political asylum in West Germany, Mr. Rakowski called the event "painful for me as a father" and a "drastic indication of a wider social phenomenon in Poland—the rift between a generation of fathers who fought for People's Poland and the generation of their sons, who see no prospects for themselves here."

Cocoon Meeting Reported
PARIS (Reuters) — The United States and its major Western allies will open a two-day meeting in Paris on Tuesday to discuss controls on sales of strategic goods to the Soviet bloc diplomatic sources said on Monday.

The meeting is within the framework of the Coordinating Committee on Export Controls (Cocoon), which groups Japan and the North Atlantic Treaty Organization except Iceland. The sources gave no further details of the agenda.

Many in Poland contend that it was the last papal visit, in August, 1979, which really began the social revolution that brought the emergence of Solidarity and Poland's 16 months of East bloc freedom.

Mr. Rakowski said that he knew of no deaths among police or soldiers who put down strikes and street demonstrations in the wake of the martial law declaration. Other Polish officials have said privately that at least two security officers were killed, along with the nine civilian fatalities which the authorities acknowledge.

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ning some kind of action against Solidarity.

Hours before the military crackdown began, he said, the entire union leadership, assembled at a meeting in Gdansk, began receiving information about movements of troops, policemen and special riot policemen and about a cutoff in communications. But the scope and the intent behind those actions apparently were not clear to the unionists.

A last-minute change in plans allowed Mr. Bujak and a few others to escape the police. The meeting was intended to go on until the next day but adjourned after completing its business at 12:20 a.m. on Dec. 13.

Hotel Is Surrounded

Mr. Bujak, together with Zbyszek Janas, head of Solidarity at the Ursus Tractor Factory, decided to take the 2:20 a.m. train to Warsaw. From the station, they and other union leaders watched at 1 a.m. as special security police units set up a shield-to-shield cordon around the Monopol Hotel, where many union leaders were staying. They learned that other hotels were also surrounded.

"It became obvious that the authorities were conducting some kind of important action, against our union," Mr. Bujak said. "We did not suspect, however, that it was so big and consisted of the arrests of thousands of Solidarity members."

When the security police left, Mr. Bujak and Mr. Janas entered the hotel, left their identification documents at the reception desk and encountered a union activist who told them of the arrests. When they learned that secret policemen were still in the building they fled.

He said that if liberalization over the next few months did not return to the level that existed before the crackdown, the underground would grow quickly. Its activities, he said, would include distributing leaflets and conducting rallies and demonstrations and other protest actions.

"I do not exclude also that an armed underground might develop, involved in terrorist activities," he said. "That would be a real disaster for our country. That is why believe there should be no armed action in the current situation."

Instead, he called upon Solidarity members to organize cells of 1 people and to help those who have been dismissed from their jobs. "This activity already goes on," he said, adding that workers should strike in protest over political dismissals.

Asked for his reaction to sanctions imposed by President Reagan against Poland and the Soviet Union because of the crackdown, Mr. Bujak indicated that was a complicated subject requiring more information and reflection on his part. The sanctions mean increased suffering for the people, he said. But he added late action in the current situation.

One can notice already that the sanctions constitute a great pressure, and we attach growing hope to them for a reactivation of Solidarity and return to the road of reform."

As for his own plans, Mr. Bujak said he would remain in hiding until the struggle for "the reactivation of our union" was won. "I will not leave the country, and I will not let myself be thrown out," he said. "One problem I have is a family life. I have a wife, and want very much to have children."

Dutch Protesters Halt U.S. Arms

UNITED PRESS INTERNATIONAL
AMSTERDAM — Protesters stopped a train carrying munitions for American forces in West Germany as part of a peace campaign to prevent weapon shipments through the Netherlands.

The 1,200 tons of munitions which had arrived aboard the U freighter American Ranger Sunday, were loaded onto a train in West Germany. A passenger on train near the village of Rood chool pulled the communication cord early Monday and brought traffic on the line to a halt including the first munition train.

Six demonstrators are reported to have chained themselves to rear of the train, while others on the tracks in front.

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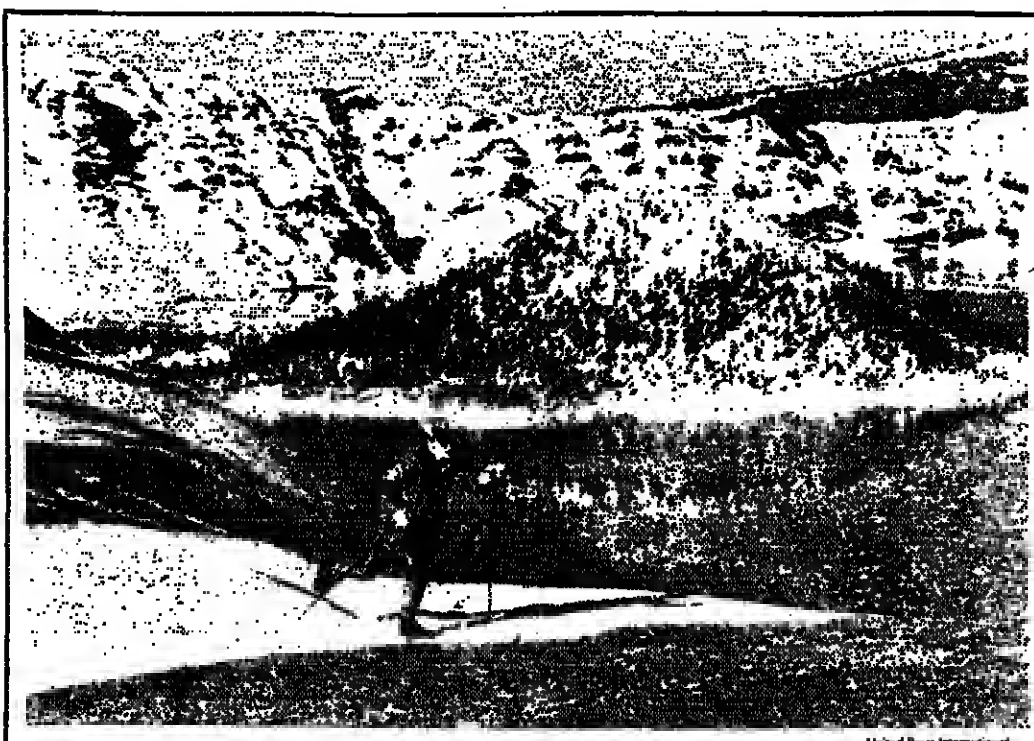
International Restaurant Guide

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LAKESIDE SKIER — A lone cross-country skier on the rim of Crater Lake, an extinct volcano in a national park 6,000 feet (2,000 meters) above sea level in southwestern Oregon.

Greece Moves to Abolish Adultery As Crime Punishable by Prison

ATHENS — The Greek Socialist government has extended its drive for social change by seeking the abolition of adultery as a crime punishable by imprisonment.

The bill aimed at doing this is part of the Socialists' drive to revise the country's family law and penal code. It has met the opposition of conservative legislators and bishops of the Greek Orthodox Church, who have warned that such a reform may disrupt traditional family patterns.

Stathis Alexandris, the minister of justice, said his bill would abolish provisions that make adultery punishable by prison terms of up to a year and that forbid remarriage for any person sentenced for the offense. As in most Western countries, adultery would remain a ground for divorce.

Mr. Alexandris expressed confidence that his bill would be passed

by an overwhelming margin this month.

"Existing laws," he said, "are outdated when compared to social realities, since for some time now the offense has been accepted as a somewhat ordinary phenomenon, not deserving such strict punishment. Not even stoning people to death has prevented adultery."

The minister said that existing legislation had led to "unnecessary humiliations of human dignity."

Since the law demanded evidence of the offense, the partner who pressed charges was obliged to catch the couple in the act. In most cases, this required forced entry, employment of a photographer, help from detectives to make an arrest and then transportation of the couple to the nearest police station.

The discovery of a half-dressed couple in a bedroom was often deemed inadequate evidence.

In recent years, Greek courts had begun exhibiting some leniency. But even in 1980, 61 men and 45 women were sentenced to prison terms for adultery, compared with 75 men and 70 women the year before.

The presentation of the bill has led to a fourfold increase in the number of adultery cases heard by courts every day. The complaints have been filed by persons anxious to get their partners sentenced before the bill's passage.

The measure on adultery, included within a bill that would also establish civil marriage and thus end the church's monopoly of marital ceremonies, has been welcomed by most people directly involved in prosecuting adultery.

The Athens Bar Association termed the projected changes "a major step forward in the country's social evolution." Constitutional experts within its ranks also argued that punishment of adultery was a violation of human rights, as specified by the Treaty of Rome establishing the European Economic Community to which Greece belongs.

Private detectives, whose profession has flourished through the pursuit of such cases, predicted a slight increase in adultery upon the withdrawal of the prosecution threat, but they stressed that even now only one-third of discovered cases goes to court.

Greek wives, they said, have been particularly unwilling to press the matter. Women were more anxious to save their marriage and avoid the social stigma attached to divorce, they said.

Red Brigades Planned Mass Political Killing

ROME — The Red Brigades planned to eclipse last month's kidnapping of U.S. Brig. Gen. James L. Dozier with the massacre of 100 politicians on live television later this week, police said Monday.

A police spokesman confirmed stories in three of Italy's major newspapers saying the group planned to attack the Christian Democratic Party headquarters during a national conference on Friday. Police last week said they had found plans to attack the building, but did not release details.

The reports said 15 to 20 Red Brigades members disguised as television technicians and carrying false identification documents were to infiltrate the party building on the morning of the conference. They were to carry guns and grenades in their equipment bags.

At 1:35 p.m., while the meeting was to be broadcast live to millions of Italians on the afternoon news, the Red Brigades members were to hurl grenades at the dais and open fire on leading politicians.

At the same time, guerrillas outside the building were to launch missiles and bazooka shells from the back of parked vans and rush inside. The Red Brigades members in the building were to commandeer television cameras, train them on the politicians being shot, and

read a communiqué on the air before fleeing, the reports said.

The attack was to take about four minutes and leave between 80 and 100 people dead.

"The plan for this attack shows that the Christian Democrats are an obstacle for those who want to destabilize the country by throwing it into chaos," said a party official.

Police found detailed plans for the attack on the building—located in Rome's modern EUR section—and military weapons such as bazookas when they raided three Red Brigades hideouts and arrested 10 persons 10 days ago in the Rome area.

Among those arrested was Giovanni Senzani, 42, a former criminologist who police say headed the Red Brigades' Rome faction. The raids led to some hope that Mr. Senzani and the others would lead police to the "people's prison" where the group is holding Gen. Dozier. The U.S. general, who is the highest ranking officer at NATO's Verona base, was kidnapped on Dec. 17 from his Verona home.

Police said there had been contact between the Rome faction and the Red Brigades' so-called military wing that abducted Gen. Dozier. They said the kidnappers had asked Mr. Senzani to interrogate Gen. Dozier.

In Verona, meanwhile, Gaspare De Francisci, an anti-terrorist judicial official leading the Dozier investigation, met with U.S. specialists sent to Italy to help with the case.

4 More Spanish Oil Deaths

MADRID — Four women died in Spanish hospitals last weekend, bringing to 249 the number of deaths blamed on toxic cooking oil since last May. Health Ministry officials said Monday. Officials said 414 persons suffering from the illness were still in hospitals.

Ousted U.S. Official Makes Comeback in Fight on Soviet Trade

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — This is a tale of political survival in the nation's capital, the saga of a civil servant who was once called incompetent and was ousted but who now has returned as one of the key policy-makers of the Reagan administration.

Lawrence J. Brady has come back. Moreover, he has come back to the Commerce Department, the same agency he was forced to leave two years ago over an interpretation of détente. And he has come back to an even bigger job, as assistant secretary for trade administration.

He is also resuming the offensive he began as an export official in the Carter administration, a campaign against the large-scale transfer of U.S. technology to the Soviet Union.

Mr. Brady believes that the computers, advanced electronics gear, pipeline equipment, truck plants and steel and aluminum mills that the United States and the other Western allies and Japan have shipped to the Soviet Union over the years of détente have been used mainly to enhance the Russians' military capability.

His latest battle plan, disclosed last week, calls for the Western allies and Japan to play a bigger role in the struggle to curb such exports. And this time around, with the ideological wheel having turned, he is more confident of victory.

It is this part of the argument about how much trade can or should be controlled for political purposes, especially when competing products are available from other nations. At issue, too, is whether trade can serve as a liberalizing influence on the policies of the Soviet Union. Many proponents of détente believe that it can.

Mr. Brady quit under pressure as acting director of the Office of Export Administration at the Commerce Department in early 1980 when he and his superiors were unable to agree on policy.

Testifying before Congress, Mr. Brady asserted that the department's export controls were not being adequately administered and said that trade should be suspended. Neither the companies seeking the export business nor his Commerce Department superiors agreed, and Mr. Brady left the government.

Then came the Soviet intervention in Afghanistan, in which trucks from a plant on the Kama River, built in part by Americans, were identified as troop carriers. Mr. Brady, vindicated in the view of many conservatives, returned to New Hampshire, the state of his birth 40 years earlier, and began campaigning hard for Ronald Reagan for president. He also began writing about technology transfers in Human Events, a conservative weekly.

Mr. Reagan had chosen New Hampshire to deliver his strongest criticism of technological trade with the Russians, proposing the suspension of all trade pending Soviet withdrawal from Afghanistan. Upon meeting Mr. Brady on the campaign trail, Mr. Reagan reportedly promised, "If I'm elected president, you're back in the government."

Request Indicated

Today, with events in Poland as well as Afghanistan, to react to Mr. Brady is, apparently, with the president's blessing, confidently issuing strongly worded condemnations of trade with the Russians. His latest, issued last week, indicated that the United States was preparing to ask its Western allies and Japan for increased curbs on



Lawrence J. Brady

high technology products and on oil and gas equipment. The request probably will be made Tuesday in Paris at a meeting of the NATO allies.

Educated in international economics at Washington's Catholic University, Mr. Brady decided early on a political future. Like many young men with such ambitions, he started knocking on doors in Congress and got job with Norris Cotton, then the Republican senator from New Hampshire. Later he moved to the staff of the Senate Republican leader, Everett M. Dirksen.

From the Senate staff, he shifted to the State Department as a senior international economist in the Office of International Trade and then, in 1971, went to the Nixon White House as a senior staff member on the Council of International Economic Policy.

In 1974 he moved to the Office of Export Administration at the Commerce Department, where he stayed until early 1980.

He ran in the Republican senatorial primary in New Hampshire in 1980, coming in fourth in a field of 11. And, according to friends, he may try again.

In California Desert, Nicaraguans Train to Overthrow Sandinistas

By Robert Lindsey
New York Times Service

LOS ANGELES — Small groups of Nicaraguans are undergoing military training under the guidance of Cuban exiles in the Southern California desert for what the Nicaraguans hope will be the overthrow of the Sandinista government in their country.

The training camp, in a remote area of San Bernardino County southeast of here, is similar to but much smaller than one operated by Cuban exiles near the Florida Everglades. Nicaraguan political activists say that military training is also occasionally being given in rural areas of suburban Orange County south of Los Angeles and elsewhere in California.

Such training operations to prepare for an invasion of a foreign country have aroused the concern of some specialists on international law, as well as representatives of the Nicaraguan government, who contend that the training camps violate the Neutrality Act of 1794, which bars the use of the United States as a base of military operations against any nation that is at peace with the United States.

But federal Justice and State department officials, while acknowledging the existence of the training camps, say the law has not been violated.

Desolate Location

Thomas O. Endera, an assistant secretary of state, has said that the exiles were not breaking the law "as long as they don't hurt anybody and as long as they don't actually conspire to invade in a specific way."

Law enforcement officials in San Bernardino County, a 20,160-square-mile (52,416-square-kilometer) expanse of mountains and

desert, say they discovered the training camp in a desolate corner of the county last month and ordered the Latin nationalists to stop firing live ammunition.

Since then, officials say, the exiles have switched to drilling with unloaded weapons and, in some cases, toy guns and wooden replicas of automatic weapons.

A spokesman for the Nicaraguan exiles said the training in California involved more than 100 people.

Santiago Barquero, an official

and spokesman here for the Nicaraguan Anti-Communist Union, a major émigré group, said that the training was conducted by members of Alpha 66, a group of Cubans opposed to Fidel Castro, although he said that sometimes the Nicaraguans drilled independently of the Cubans.

Mr. Barquero implied that some Nicaraguans, with the help of Cuban instructors, were undergoing military training at camps besides those in Florida and the one in San Bernardino County. But he did not identify any other locations.

U.S. Deficits Appear Inevitable as Spending Outstrips Revenues

By John M. Berry
Washington Post Service

WASHINGTON — For decades U.S. presidents faced with large budget deficits could confidently promise the nation that within a few years the red ink would disappear.

It never worked out that way in fact, but at least it looked true on

paper. Because of the progressive nature of the income tax, projected revenues always rose faster than projected spending.

Now it does not even look true on paper. Partly because of last year's large and continuing tax cuts, partly because of President Reagan's commitment to large future increases in military spending, the spending trend line is rising faster than the revenue line, according to a wide range of budget experts, including some in the administration.

This fundamental change in the budget outlook cannot be altered by continuing to slash nonmilitary spending, the experts agree. Political resistance to additional major cuts is building, and even approval of another \$30 billion worth of cuts, which Mr. Reagan is expected to seek this year, would reduce the deficit in later years but not come close to eliminating it.

Magnitude of Problem

The magnitude of Mr. Reagan's budget problem is unusual. Suppose, for instance, there is a moderate economic recovery this year that continues through 1983 and 1984. Suppose further that the president proposes and Congress agrees to raise excise taxes by \$16.5 billion in 1984 and to cut nonmilitary spending by \$53.6 billion from the levels called for by current laws. Finally, suppose that military spending goes up only 4 percent or 5 percent faster than inflation between now and then, instead of the 7 percent rate the president favors. With exactly that set of assumptions, Data Resources Inc., the economic forecasting firm headed by Otto Eckstein, concludes that the 1984 budget deficit would still be \$89 billion.

Analysts at the Congressional Budget Office have reached similar conclusions, as have some at the American Enterprise Institute and the Brookings Institution. Administration economists also agree privately that the lines charting revenue and spending growth in coming years will not come together without major fiscal policy changes.

Once military outlays and interest payments on the national debt are set aside, there simply is not enough left to cut year after year to balance the budget without either more taxes or smaller military spending increases, the experts declare.

The recession is swelling the 1982 budget deficit, which is likely to turn out to be close to \$100 billion. But a brisk recovery will not eliminate deficits in future years. That is what has changed.

Meanwhile, recognition of this inexorable arithmetic by financial analysts is helping drive interest rates upward at the same time the economy is plunging ever deeper into recession. Industrial production fell 2.1 percent in last month, matching the drop in May, 1980, when economists were saving the economy was in a "free fall." During the same month, some long-term interest rates rose more than a full percentage point.

"That's the danger of U.S.," says one economist. "The question is whether, in fact, there will be an economic recovery in the second half of the year. Economist Alan Greenspan, a regular adviser to Reagan, puts the odds for 'no significant recovery' this year at 1 in 3."

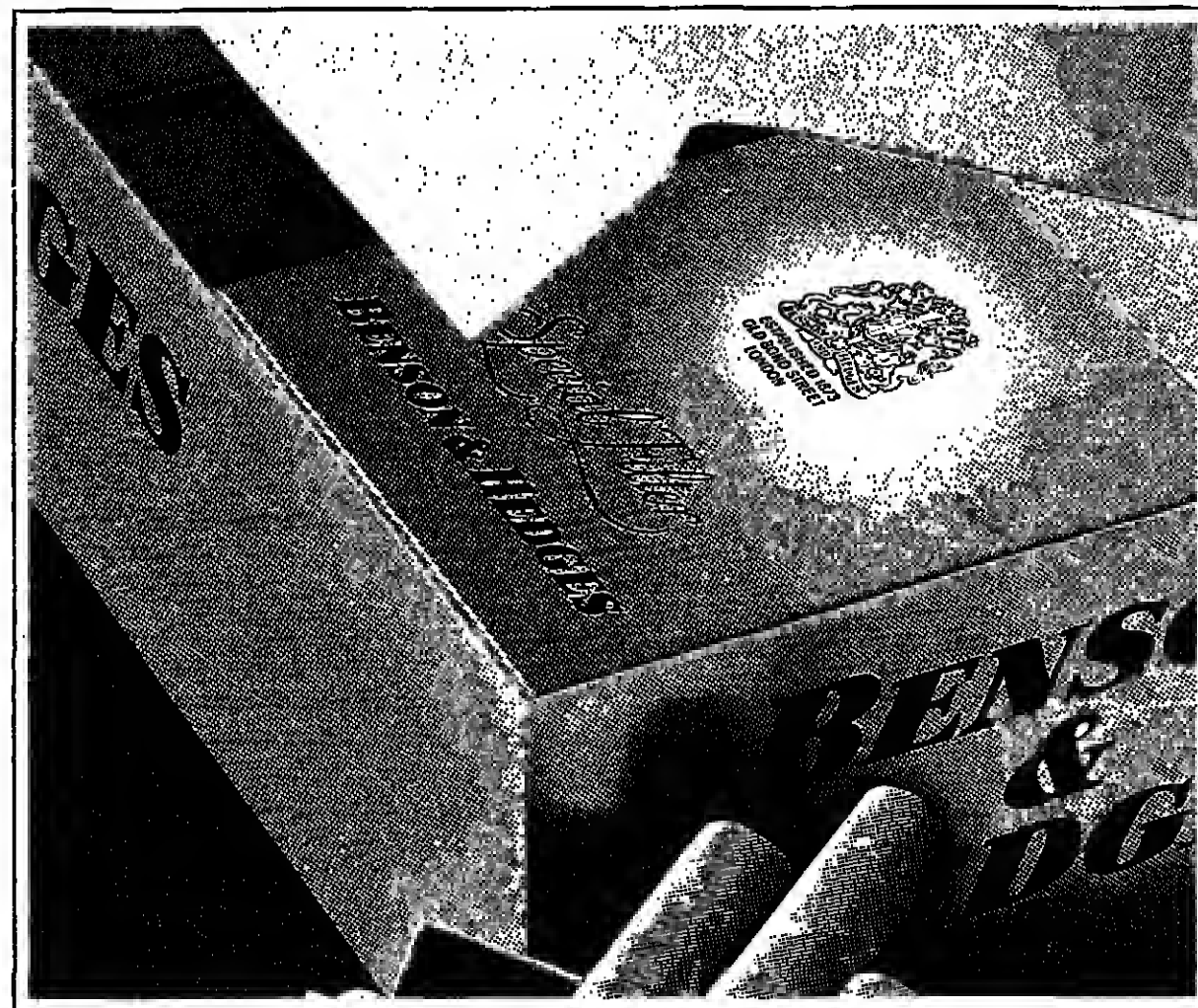
Rudy Penner of the American Enterprise Institute, chief economist at the Office of Management and Budget in the Ford administration, fears that rising interest rates will choke off any recovery. And with a reference to the depressed economy of the Britain, he declares, "the probability of Thatcherization of the U.S. economy has become very high."

Mr. Penner does not think financial markets will sit still for extended deliberations on how to effect a long-term solution to the new budget dilemma. He believes that Mr. Reagan, like Mr. Carter, will soon "be forced into more vigorous action" than is likely to be seen in the 1983 budget that Mr. Reagan will send to Congress on Feb. 8.

One congressional budget analyst says that the problem is that last year's tax cut was so large that even with a healthy economy, revenues would be growing only about 7 percent a year while outlays, with the military spending increases, would be going up about 8 percent to 10 percent annually.

"It's quite a dramatic change," the analyst said. "It really is. Suppose you cut confidence spending by \$30 billion. You've still got a growing deficit."

If there were no more nonmilitary spending cuts and no tax increases, the deficit could reach \$200 billion by 1985, according to rough estimates by the budget office.



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Filipinos Divided on Ending of Martial Law

A Year After Marcos' Action, Backers See Progress, Foes Find No Change

New York Times Service
MANILA — A year ago on Sunday, President Ferdinand E. Marcos ended 8 years, 3 months and 26 days of martial law and proclaimed a "new republic" in the Philippines.

The gesture brought tears to the eyes of the first lady, Imelda Marcos, and approval from the United States. The lifting of martial law, it was believed, promised Filipinos the restoration of basic freedoms and a better life.

Filipinos remain divided between those sympathetic to the government and those who are not. Salvador P. Lopez, a former foreign affairs official, believes that the lifting of martial law has done little to inspire the average Filipino. "It has done nothing to lift the hearts and hopes of the people," he said.

However, some progress has been made. Supporters point to the promises Mr. Marcos made and kept. Although he retained all the powers he had under martial law, Mr. Marcos did hold elections as promised and he was returned to office for another six years in an uncontested race. Students were allowed to form student councils and publish papers. Workers were allowed to strike. And the government did encourage public debate.

Mr. Marcos, in an article about the new republic, said he believed that the period of martial law gave

the nation a new sense of the democratic ideal and "a new dynamism toward its attainment."

But many Filipinos feel that there has been no real change and that authoritarian government still remains. "The lifting of martial law turned out to be a face-lift," Mr. Lopez said. And, during the past year, Mr. Marcos has not hesitated to use the considerable powers he retained as president.

In November, when he decided that video games were corrupting Filipino youth, he banned them. And, when foreign publications reported a scandal recently involving the secret marriage of the president's daughter and the subsequent mysterious disappearance of the husband, the government delayed their distribution.

"As a former journalist, I am interested in how the lifting of martial law improved the journalistic picture," said Felix Bautista, former editor of The Evening Sun, an afternoon daily that was closed by martial law. "It has not," he said. "Freedom of the press is essential to democracy. There is no such freedom, so that makes our brand of democracy suspect."

The critics of the government's performance in the last year point to other unresolved problems like the hundreds of detainees still in prison. "The Frankenstein of martial law is still with us," said Cecilia Muniz Palma, a retired Supreme Court justice.

Last week in an interview with a foreign news agency, Mrs. Marcos defended the government's practices. "During his 16 years in power, President Marcos had only one man executed and that was Lim

Seng, the narcotics peddler," she said.

There often seem to be more critics of Mr. Marcos than supporters. But there is an entire generation that grew up under his rule and knows him as the only president of the Philippines.

"I don't know how different it is supposed to be," said Cissy Cheng, a 16-year-old student. "I hear about freedom, but I don't really know why we do or don't have it. I think the government does a pretty good job."

Those who disagree belong to opposition groups representing every social group and political view.

Activist students blame the Marcos government not only for martial law but also for its friendship with the United States. And adding to the voices of the dissatisfied are those of the church and the poor.

"The situation is worse than last year," said Cardinal Jaime Sin, the leading church critic of the Marcos government. "There is economic tension. There are people who

can't have even one full meal a day."

Workers who tried to improve their situation by striking found that the new strike law provided little protection.

"The right to strike is supposed to have been restored, but only under conditions that are unfair to workers," said Felix Berto Olalia, founder of the May One Movement, a labor federation that says it has a million members.

Perhaps state of the economy, more so than the progress or lack of it in restoring political freedom since the lifting of martial law, may have helped to polarize opinions about the new republic.

Past extravaganzas are considered less tolerable now. Imelda Marcos's latest monument, a film palace, was the last straw for Manuel Arizaga, who has been driving his taxi for long hours to make ends meet. "Things are bad and the first lady keeps building and building like we are a rich country," he said. "I would like to have a vote on that."

Philippine Jets Strafe Japan Tanker Suspected of Transporting Arms

The Associated Press

MANILA — The Philippine government said Monday that its warplanes strafed a Japanese tanker off Mindanao island because the ship ignored orders to stop and was suspected of carrying arms and anti-government guerrillas.

Breaking a three-day silence on Friday's incident, Foreign Minis-

ter Carlos P. Romulo said that the strafing was carried out as "a legitimate exercise of our right to protect our national security and territorial integrity."

Mindanao island is the battlefield in a nine-year-old Muslim separatist rebellion against the Philippine government.

Mr. Romulo said that the 5,307-

TRIDENT TEST — A U.S. submarine launched a Trident missile without a warhead in a test 50 miles (80 kilometers) off Florida. The presence of a Soviet ship in the area delayed the test by 40 minutes.

Novelist Ramón José Sender Of Spain Dies at 80 in U.S.

From Agency Dispatches

SAN DIEGO — Spanish-born novelist Ramón José Sender, 80, considered a contender in 1979 for the Nobel Prize in Literature, died on Friday of emphysema, the corner's office said Sunday.

Mr. Sender fought on the loyalist side in the Spanish Civil War.

Red Sundays" (1932), "The Sphere" (1947), "The Affable Hangman" (1952) and an autobiographical novel, "Before Dawn" (1958).

Sender's novels are marked by social criticism and compassion. The realism of his early novels gave way to a more symbolic approach in his later works.

Despite his opposition to the Franco regime, he was awarded Spain's highest literary award, the Planeta Prize, then worth \$15,714, in 1969.

OBITUARIES

He left Spain in 1938 and settled in the United States where he became a professor of Spanish literature at the University of Southern California. He retired in 1973.

His novels include "Iman," translated into English as "Earthmarked for Hell" (1929), "Seven

Charles Dikran Kelekian

NEW YORK (NYT) — Charles Dikran Kelekian, 82, the dean of antiquities dealers in the United States, died Saturday of heart failure.

He was the son of Turkish-born Dikran Kelekian, who had founded the family's antiquities business in the United States in 1893.

Mr. Kelekian and his father, shuttling between the galleries they maintained in New York and Paris, sold major works to most of the leading museums. The representation of the head of Tutankhamun, seen in the New York Metropolitan Museum of Art collection, was acquired from the Kelekians in the late 1940s.

Son of Brezhnev Faces Irate Poles In Belgian Town

The Associated Press

LIEGE, Belgium — Yuri L. Brezhnev, the son of Soviet president, Monday faced angry Polish workers in Chaudfontaine, Belgium, who shouted at him, waving Solidarity posters, and even threw eggs but missed.

The demonstrators were about 50, all members of the Belgian Catholic trade unions and Christian Workers Movement.

They called for the departure of Soviet generals from Warsaw and vainly tried to hand Mr. Brezhnev a pamphlet supporting Solidarity, but they were pushed back by police men and bodyguards.

Mr. Brezhnev was here as deputy Soviet foreign trade minister to sign a draft contract with a Belgian company, Tubameuse, that will make equipment to assemble the future gas pipe from the Soviet Union to Western Europe. He also inaugurated a new plant at Tubameuse, specially made to produce the gas pipe equipment. It will employ 500 workers.

N. Yemen Replaces General

The Associated Press

MANAMA, Bahrain — According to a decree issued in San'a, the North Yemen capital, and distributed here by the Gulf news agency, Brig. Gen. Abdelaziz Borah has been relieved of his post as chief of staff and replaced by Brig. Gen. Abdullah Hussein Bushairy.

Cholera Now Considered Endemic In South Africa Black Homelands

By Joseph Lelyveld

New York Times Service

TEMBA, Bophuthatswana — Cholera, an infectious disease that thrives where there is an absence of clean drinking water and decent sanitation, has become endemic in South Africa's rural black "homelands" in the last two years.

The disease has been spreading through eastern and central Africa for a decade, so experts in tropical medicine and epidemiology say it was only to be expected that it would establish itself within South Africa's traditional borders where, except for a small outbreak traced to migrant mine workers in 1974, it had been virtually unknown for nearly a century.

Since the first cases were reported in the eastern Transvaal about 15 months ago, there have been nearly 7,000 confirmed cases of symptomatic cholera, resulting in at least 70 deaths. Only two whites, both laboratory technicians, and a small number of Indians in the province of Natal are known to have been infected. The rest have been blacks.

Calculated on a per capita basis, South Africa now has a higher incidence of the disease than India and Indonesia, where it has long been endemic. That too is only to be expected, the experts say, because the lack of exposure to cholera in recent generations has left the population without the immunities that are built up in areas where the infection has been common.

Spotlight on Poverty

After some initial difficulties in recognizing the disease, the official health services appear to have responded vigorously and to have succeeded in keeping the rate of deaths at a much lower level than in other African countries.

Nevertheless, the spread of cholera through the black rural areas has inevitably highlighted the underdeveloped and impoverished conditions in these areas, since cholera — a bacterial infection transmitted in water that has become contaminated — is almost invariably associated with poverty.

Temba itself, a typical South African township for blacks with a population of about 40,000, has been protected by a filtered water system. But there are semi-urbanized communities nearby that have no developed water system at all, although their inhabitants also provide part of the work force that labors in industrial areas near Pretoria. Despite the distribution of chlorine tablets and a health education campaign with door-to-door canvassers dropping off leaflets that assert the danger in the most dire terms, the infection has spread inexorably through these settlements.

Hardest hit of the black communities near here are those that draw their water from the only dependable river in the area, the Apies.

No Coordinated Program

"There is a killer in the Apies River," one of the leaflets warns in the Tswana language. "Cholera! Cholera kills the people of Bophuthatswana. Parents, please keep your children out of the river."

The efforts to combat cholera have been complicated by the haphazard system. Since Bophuthatswana is supposed to be independent, South African officials are expected to react to its health problems as they would if they were occurring in any nearby foreign nation. "Get off my back, I want to run my own show," a South African official

said, "they have every right to do so."

Bophuthatswana, which is reputed to be the best-governed of the black states that South Africa has spawned, has borrowed some water tankers and a couple of doctors from the South African defense forces. But, otherwise, it has handled the cholera crisis on its own, according to Dr. Gerard Malan, a South African who is superintendent of Jubilee Hospital. It is now preparing plans for the construction of filtration plants on the Apies River, Dr. Malan said.

The South African government has responded to the cholera outbreak by increasing its expenditures on rural water systems, but it has not developed a coordinated program for all the areas that have become infected as the disease spreads along the Indian Ocean coast through the fragments of the homeland called KwaZulu, which has been especially hard hit in the current summer season.

Present thinking appears to be that the individual health departments will have to develop such programs for themselves. Last year, in addition to lending army medical personnel to the black states, the South African health authorities spent about \$260,000 preparing printed and other materials on the cholera danger, including a slide show that it made available to rural black schools.

The slide show only contains English, which is not the language of instruction in these schools. And it cannot be shown without electricity, which most of the schools lack. The emphasis of these materials is conspicuously on the responsibility of the individual to maintain personal hygiene rather than the responsibility of the state to provide clean water and a proper sanitation system.

Envoys Unhappy With Workload, Performance, UN Study Shows

By Bernard D. Nossiter

New York Times Service

UNITED NATIONS, N.Y. — Diplomats serving at the United Nations are a largely disillusioned lot, a study has disclosed.

They regard peace in the Middle East as the world's most pressing problem, but do not think the United Nations will help much in achieving it. They have a low opinion of the General Assembly, and an even lower one of the Security Council. They complain of spending too much time in too many meetings and wrestling with too much paper and overloaded agendas.

The diplomats give barely passing grades to the International Monetary Fund and the World

Bank, but they approve of the United Nations Development Program, which grants with few strings. They think the United Nations Secretariat is deteriorating, and they are critical of the way the world's news outlets cover their organization.

These conclusions emerged from a study by the UN Institute for Training and Research, which sent long questionnaires to 1,016 diplomats. Replies were received from 187. Only two of those were envoys from Soviet bloc nations, and they were discarded on the ground that this number was unrepresentative. Officials said the Soviet Union opposed the project, ultimately agreeing to it with great reluctance.

The survey, entitled "An Attitude Survey: Diplomats' Views on the United Nations System," asked for responses on a scale of one to seven. A rating of one meant "highly unsatisfactory" and seven "highly satisfactory."

The midpoint, four, represented neither approval nor disapproval, although the survey called this a passing grade. Asked which of the world's conflicts deserved the highest priority, the envoys rated the Middle East at 5.9, a shade higher than the 5.8 given South-West Africa (Namibia). But the United Nations' ability to solve the Middle East crisis fell well below a passing grade, with a score of 3. The envoys were slightly more optimistic about the chances in Namibia, which rated 4.1.

The questionnaire did not list Afghanistan as a UN priority al-

though it was the most sensitive East-West issue when the questions were asked a year and a half ago.

Thomas M. Franck, the research director of the institute, said, "We tried to ask questions in such a way that either the secretary-general or a superpower would actively oppose the questionnaire."

He implied that the Soviet Union, which describes its involvement in Afghanistan as an internal matter, would have objected to the inclusion of the Afghan conflict as a UN issue.

The one UN area viewed as largely successful was the operation of the organization's peace-keeping forces. Four of every five diplomats who responded said the volunteers in Cyprus, Kashmir and the Middle East had achieved some success in preventing wars or limiting conflicts.

The General Assembly, where each member has one vote but the results are only recommendations, just failed to win a passing score with 3.9. The Security Council, which can make decisions but where five permanent members can veto them, fared worse, with a score of 3.1.

Nearly seven of 10 agreed that the overall performance of the secretariat, the staff of international civil servants, "has declined substantially in recent years." More than four in five attributed the decline to "political interference" by governments.

The envoys were asked about obstacles that impeded their work. Eighty-five percent cited "multiple overlapping meetings," 77 percent said agendas were too heavy and 76 percent complained that meetings did not start on time.

The diplomats also rated the "fairness and accuracy" of the survey called "worldwide media coverage of the UN." They scored 3.9, just failing. The coverage in New York City was graded even lower, at 3.3.

Laker Dismisses 21 of 200 Pilots

The Associated Press

LONDON — Sir Freddie Laker has dismissed 21 of his 200 pilots and demoted 10 of his captains in a bid to keep his airline flying amid financial problems, officials said.

The Press Association domestic news agency said Monday that Sir Freddie is also considering canceling orders for up to seven Airbus jetliners, due for delivery by 1984. Laker Airways officials said flight personnel not dismissed have been urged by the Laker Flight Crew Association, their bargaining unit, to give up their net two agreed pay raises of 5 percent each to help the business out of trouble.

Future of Billingsgate Undecided As London Fishmongers Move On

United Press International

LONDON — They sold the last fish at Billingsgate market over the weekend and London will never be quite the same.

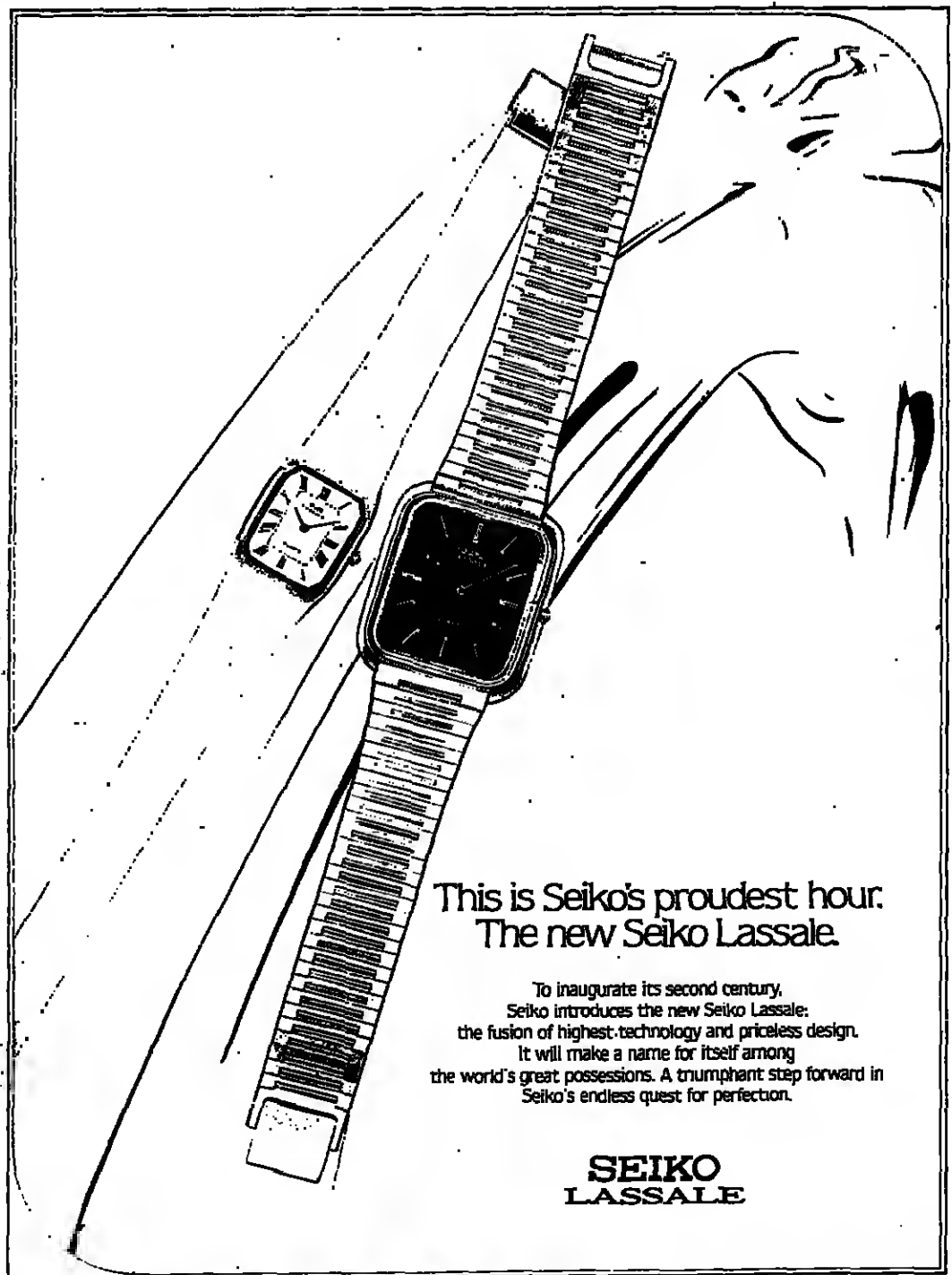
Billingsgate, whose name, because of the gutter language used there, entered the language as a synonym for "fool, vulgar, abusive talk," according to Webster, was a small London landmark that flourished for at least 1,000 years. The site of a Roman waterfront lies under the discolored yellow market building and Saxons landed fish there before the Norman conquest of 1066.

But before dawn Saturday, 500 fish sellers and porters clustered in to sell their daily average of 250 tons of fish for the last time. On Tuesday they move to a new building, still called Billingsgate, downstream along the River Thames. None of the fishmongers is very sorry.

"The conditions for working here are appalling," said Don Tyler, chairman of the Fish Merchants Association. He said the 106-year-old building, crowned by the figure of Britannia presiding over two dolphins, "outlived its usefulness" long ago.

The future of the building is uncertain. Conservation groups want to save it. The owners want to develop the prime riverside site. But for 50 years the building's cellars have been refrigerated, building up layer on layer of permafrost. Some experts think that the ice alone holds up the building, and that when it thaws the structure will collapse.

A further mystery is what is underneath the adjoining parking lot. Archaeologists will move in soon to start a nine-month dig on what one called "the most significant historic site uncovered in Europe this decade." They hope to clear up five centuries of obscure London history before 886.



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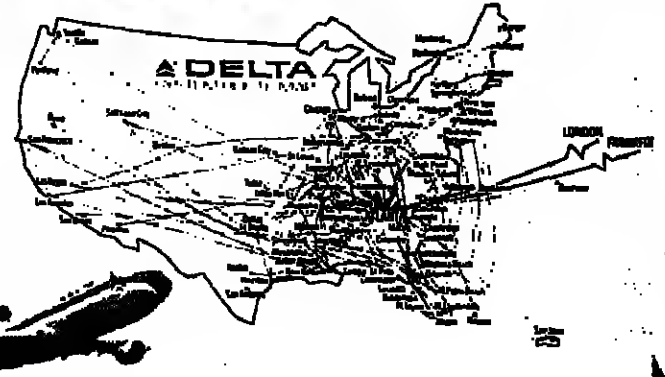
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'Heart' Gets Lukewarm Reception

By Janet Maslin
New York Times Service

NEW YORK — In previewing his new film, "One From the Heart," at Radio City Music Hall, Francis Coppola fulfilled his desire to present his new work directly to the public and let the public decide on its merits.

The public, for its part, was polite. While viewing the film under perhaps the most glamorous possible circumstances, the audiences remained receptive and interested. There was scattered laughter, and there were ripples of appreciation for some of the lower-level and special effects. At the film's end, it was greeted with measured, if not wildly enthusiastic, applause.

So the evening, with its two sold-out previews, could in no way be viewed as a fiasco. But neither was it the triumphant debut Coppola had doubtless hoped for two weeks ago, when he hurriedly planned this unorthodox unveiling of his ambitious new musical movie.

Coppola's advertisement describes the film as "a new kind of old-fashioned romance."

Coppola arranged the preview

so unexpectedly that his plans became known to Paramount Pictures, the film's ostensible distributor, only through an advertisement placed by Coppola in The New York Times. The director has since expressed dissatisfaction with Paramount and threatened to terminate his distribution arrangement with the studio — something he is free to do, because the film is owned by Coppola's own Zoetrope Studios.

Paramount has offered very little in the way of comment, but the studio and Coppola are apparently still negotiating. At a news conference between the two screenings Friday, Coppola did not rule out the possibility that he might settle his differences with Paramount before Feb. 10, the date on which the studio had originally announced it would release the movie.

When the film is indeed released, it may in some respects be disappointing, but it will stand as yet another innovative, audacious effort from the director of "The Godfather" and "Apocalypse Now." In "One From the Heart," Coppola has combined richly imaginative sets and backdrops,

bluesy music by Tom Waits and drifting, overlapping action to create a thoroughly American romance with a Las Vegas setting. The sets include a department store, a motel, a suburban street, a row of gambling casinos and a yard littered with wildly fanciful billboard and car parts. The date is the Fourth of July.

When a dream girl appears to brighten one man's fantasies, she luxuriates in an enormous martini glass or dances on the roof of his convertible. When lovers tango in an imaginary tropical paradise, there's a cruise ship anchored directly offshore. The American of these fantasies, as painted by Coppola in soft, gorgeous ocean hues, is far more affecting and important than any of the people who wander through these landscapes.

Though the film is ostensibly about lovers (played by Frederic Forrest and Teri Garth) who drift apart and then back together, the sets are invariably more interesting than the people who inhabit them. The characters — Nastassia Kinski and Raul Julia complete the romantic foursome — never compete successfully with the scenery. They seem to be living very small lives in very big spaces.

"One From the Heart" has so little in the way of story or tension, in fact, that the effect of Coppola's dazzling technical feats is almost superfluous at times; it's as if Rembrandt were painting Easter eggs. From its very first moments, which consist of a credit sequence so beautiful that it's better than plenty of full-length movies, "One From the Heart" promises a grace and radiance that is only intermittently warranted by the material.

There are ravishing things in this movie, plenty of them, enough to mark it as a brave and original effort. But the bravura moments are as apt to end abruptly as they are to flow easily together. Despite the technological advances that allowed Coppola to construct a kind of video blueprint for his work, a blueprint he could edit and modify in the planning stages, "One From the Heart" is often choppy enough to break its own spell. A spell is what it is, though: Coppola clearly means to weave the lights, colors, music and dance into something magical.

So when a woman looks into a mirror and speaks of the man who'll make her dreams come true, that man's face materializes beside hers. When lovers quarrel and separate, their images are somehow united on the screen. When they make up, the rain stops and the darkness lifts, and their home is bathed in warm yellow light, while the birds down the street begin singing. There's not a moment in "One From the Heart" when Coppola isn't after something romantic and glorious, something impressively grand. At times, he even gets what he's after.

Royal Haircut — For Men Only

By William Borders
New York Times Service

LONDON — You can, of course, get your hair cut just about anywhere your travels take you. But if you want to feel like a lord while the snipping is going on, there is no place in the world quite like Trumper's, a grand, old-fashioned barbershop at 9 Curzon Street here, in the heart of Mayfair.

Trumper's, let it be said at the outset, is only for men, a blatant discrimination about which it shows no shame at all.

"This is not one of those him and her places," says Ivan Bersch, the owner, with a sniff of disdain. On the contrary, the atmosphere is entirely masculine and distinctly upper class, with dark, polished wood paneling, sporting prints on the walls, and the pin stripes and quiet, well-bred accents of a men's luncheon club.

Dukes and marquesses and captains of industry have been getting haircuts here since George F. Trumper opened shop in 1875, and the ancient gold sign in the window, "Court Hairdresser," really means what it says: men from Trumper's still call regularly at Buckingham Palace to trim the royal locks.

Each of the 12 barbers has his own wooden cubicle, so that you cannot see any of the other customers while your haircut is in progress. The cubicles have red velvet curtains and old marble sinks, and some of them are decorated with photographs of former customers, such as King Edward VIII and King George VI, or with wonderful old signs offering such services as beard trimming and mustache curling.

It is possible to walk in off the street, but far better to telephone for an appointment (499-1850). The haircut, which costs \$15, usually starts with a shampoo — the soap rubbed into the hair before it is wet — which becomes a soothing massage.

"It's the way we've always done it at Trumper's," Dennis Hornby explained, as his fingers worked into my scalp. "It reduces the tension and makes you feel calm." It certainly does.

Hornby, who has been a Trumper's barber for 17 years, displays the quiet discretion of the gentleman's gentleman. For example, when asked about dying hair, he replied, "If a man is going gray and

wants to return to his natural color, we can help him." He made it sound for all the world as if the gray were somehow not natural. In my case, he was very circumspect about a well-hidden bald spot, suggesting that my part be lowered somewhat "because you rather need some of this, um, hair up on the um, place on top, if you know what I mean."

Bersch, the owner, selects his barbers very carefully, he says, not only for their skill but also for their deportment and manners. "We don't want a racing-form kind of barber who talks to the customer about sex," said Bersch, who started as a lather boy for George Trumper 50 years ago.

Instead of Playboy and Penthouse magazines, which you would find in most barbershops, waiting customers at Trumper's are offered Country Life and Punch.

In the front of the shop (where women are welcome), Trumper's sells a staggering assortment of colognes, after-shave lotions, soaps and skin balms, many of them blended according to George Trumper's 100-year-old formulas.

The shop's mail-order catalog, which explains the history of the various bay runs and lime extracts, recalls that after customers had their hair cut in Victorian days, "it is almost certain that when they emerged, with that quiet feeling of well-being that only the attentions of a skilled hairdresser can provide, they would have taken with them one of Mr. Trumper's renowned preparations."

In addition to all those same preparations, there is a huge cabinet full of oothings but Mediterranean sponges, which range in price up to \$100. Another cabinet displays dozens of shaving brushes, priced from \$25 to \$300, depending upon whether the handle is ivory or plastic, and upon which part of the beard the bristles came from. And surely there are not many places where you can still buy (for \$5) a cake of alum, to rub on your face after shaving.

Despite such current vulgarities as electric razors and aerosol cans, Bersch believes that there is still a strong future for things like shaving brushes, at least among the kind of men who come to Trumper's.

"We offer quality and tradition," he said, "and there's always a market for that."

Putting a New Face on Men's Cosmetics

New York Times Service

NEW YORK — There are mirrors, displays, lights and computers that will analyze his skin in 30 seconds. A woman in a white smock leans over the counter, takes his chin in her hands and scrutinizes his pores. She will study his face, and then prescribe a regimen of products for the health, beauty and manicured ruggedness of her client's skin.

The male customer in the United States has finally been lured, to the delight of cosmetics manufacturers, from traditional indifference to regular consumption in the \$15 billion-a-year beauty business that women have upheld for so long.

"There are a lot of closet users out there," said Maria DeLucia, cosmetics analyst for Kidder, Peabody Inc., "men using their wives' products because they are not yet comfortable with purchasing items in the stores."

Sending the market the right way is a matter of educating the male customer, according to Carol Phillips, executive vice president of Clinique, a subsidiary of Estée Lauder that manufactures skin-care lines for both men and women. "We try to educate men pleasantly, so they see the products for what they are," she said.

Clinique skin supplies for men — a three-step regimen that retails for \$25 here and emphasizes a clinical, no-nonsense treatment — was started in 1976 as a repackaged, renamed version of the women's line, which has been selling successfully since 1968.

Uncertain Potential

Not everyone is convinced that the growth potential in men's grooming products is all that strong. "A company putting out a product has a problem if it appeals more to one sex than the other," said William J. Fitzgerald, an economist who studies

consumer expenditures for industries and companies. "There have been a lot of aspirations about the great men's market, but it is not really there for the moment."

Prior to Clinique, men's skin care products were marketed under a fragrance umbrella. Fragrance companies introduced skin balms, combining a fragrance with a moisturizer, which was marketed with the established fragrance line. Estimated sales of men's fragrance products in 1980 totaled \$627 million.

Unlike their counterparts at Estée Lauder, however, the people at Warner Cosmetics do not feel the market is ripe for a separate men's skin-care line. "I don't think that men's treatment products today address the way men think," Gottlieb said. "Men are not as aware of aging. Society says it's OK for men, and not women, to grow older gracefully; society's viewpoint has to change before men feel a need for these products."

Dealer in Rothko Case Will Face U.S. Charges

By Joyce Wadler
Washington Post Service

NEW YORK — Multimillionaire art dealer Frank Lloyd, who was at the center of one of the major scandals in modern art, was given back his passport Monday by a New York Supreme Court judge while free on a \$1-million bond.

Lloyd, an international dealer accused of the "wrongful" and "shocking" mismanagement of the estate of the late Mark Rothko, gave himself up a week ago to face additional charges in that case after eluding authorities for four years. He pleaded not guilty and was freed on an unsecured bond of \$1 million.

His lawyer, Irving Younger, speaking for his client, said Lloyd "has full faith that the processes of American justice will result in his vindication." Younger said they would return on Feb. 22 to the court of New York Supreme Court Justice Peter J. McQuillen, who ordered the passport returned Monday, to move for dismissal of the indictment.

Lloyd is head of the prestigious, international Marlborough Galleries, which counted among its clientele the Vatican and the British royal family. Now 70 and still an active art dealer, he was indicted in 1977 on two counts of tampering with evidence during his trial two years earlier. Lloyd, who maintains homes in Paris and the Bahamas, had not returned to the United States since.

"I only collect money, I don't collect pictures," Lloyd, a controversial and hugely successful member of the art community, once said. A self-made man, a refugee from Hitler, he had often outraged art patrons with his forthright philosophy of art as business. Under criticism, he once parried with a feisty ad: "Unlimited cash available for works of art."

It was ultimately the financial aspect of the art world which got Lloyd into trouble. In 1975, with three others, he was found guilty of "improvidence and waste" in the handling of the estate of Rothko, the Abstract Expressionist artist, who committed suicide.

During a complex trial, initiated by Rothko's daughter, it was learned that the three executors of Rothko's estate had sold 798 paintings to Lloyd's Marlborough Galleries for prices far below their market value. In one instance, according to court evidence, Marlborough bought 100 paintings from the estate at a price of \$1.8 million, an average of \$18,000 a painting, at a time when works by the artist were selling for between \$40,000 and \$60,000.

The gallery, moreover, paid only \$200,000 down for those 100 paint-

ings with the remainder to be paid over 12 years with no interest. With the sale of one painting alone for \$180,000, Lloyd nearly realized his initial investment. The gallery was ultimately fined \$9,252,000, which has been paid to the estate, according to a source close to Lloyd. "He just considered it a business arrangement that went sour," the source said.

In 1977, however, two years after that judgment, Lloyd, a British subject, was indicted on two counts of tampering with a stock book in which his gallery recorded the history of each painting and which was used as evidence during the earlier trial. A felony punishable by up to four years in prison, the charge was not considered an "extraditable offense" by the Manhattan district attorney's office. Lloyd, with his wife and two children, continued to live abroad.

On Jan. 11, Lloyd, a balding, white-haired man with a slight stoop and a Viennese accent, gave himself up in state Supreme Court here. He was accompanied by Younger, of the Washington firm of Williams and Connolly, and a New York attorney, a French attorney, the Lloyd family attorney in Paris, sat with Mrs. Lloyd, a blood woman in a full-length fur. Younger said Lloyd had made the decision to come to the United States and face charges because of his two children. He added:

"He knows the charges are baseless but his situation is that he does have young children with his second wife and he did not want to leave his children with the idea that their father was afraid to face an accusation."

Monday, Younger said Lloyd is "of course delighted his passport is returned; he wants to see his children and he wants to take care of his business interests all over the world."

Arts Agenda

LYONS — A new production of Offenbach's "Tales of Hoffman" that opens Jan. 21 at the Lyonn Opera will be the first in France to be based on the recent critical edition by Fritz Dessler. Alain Vanzo will sing the title part, with Catherine Malfitano as his four wives, Jean Van Dam singing the four villains, and Collette Alliot-Lugnot as Nicklaus and the Muse. Jean-Claude Casadesu will conduct and Louis Erlo is the stage director, with sets by Robert Plé and costumes by Patricia Casselot. The work will get five performances this month and is scheduled to return to the repertory on April and May.

MONTREAL — Richard Strauss' "Ariadne auf Naxos" will be given for the first time at the Salle Gericourt Jan. 24, opening the season of the Monte Carlo Opera. Marcello Wladimir is stage director for the work, with sets and costumes by Jean Blum. Lawrence Foster will conduct a cast headed by Johannes Maier, Barbara Corles, Hanna Schwarz, Hermann Winkler and Siegfried Vogel. Later performances are set for Jan. 28 and 31.

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Belgium (air)	\$ 5,400.00	2,700.00	1,500.00	Morocco (air)	\$ 230.00	115.00	63.00
Bulgaria (air)	\$ 230.00	115.00	63.00	Netherlands (air)	\$ 406.00	203.00	112.00
Canada (air)	\$ 330.00	165.00	92.00	Norway (air)	\$ 810.00	405.00	225.00
Cyprus (air)	\$ 230.00	115.00	63.00	Pakistan (air)	\$ 330.00	165.00	92.00
Czechoslovakia (air)	\$ 230.00	115.00	63.00	Poland (air)	\$ 230.00	115.00	63.00
Denmark (air)	\$ 990.00	495.00	276.00	Polynesia, French (air)	\$ 348.00	174.00	99.00
Egypt (air)	\$ 248.00	124.00	69.00	Portugal (air)	\$ 7,200.00	3,600.00	1,900.00
El Salvador (air)	\$ 330.00	165.00	92.00	Romania (air)	\$ 230.00	115.00	63.00
Finland (air)	\$ 810.00	405.00	225.00	Saudi Arabia (air)	\$ 248.00	124.00	69.00
France (air)	\$ 720.00	360.00	198.00	South America (air)	\$ 330.00	165.00	92.00
Germany (air)	\$ 360.00	180.00	100.00	Spain (air)	\$ 12,600.00	6,300.00	3,530.00
Greece (air)	\$ 540.00	270.00	150.00	Sweden (air)	\$ 810.00	405.00	225.00
Hong Kong (air)	\$ 7,200.00	3,600.00	1,980.00	Switzerland (air)	\$ 320.00	160.00	90.00
Hungary (air)	\$ 230.00	115.00	63.00	Tunisia (air)	\$ 230.00	115.00	63.00
India (air)	\$ 248.00	124.00	69.00	Turkey (air)	\$ 230.00	115.00	63.00
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Ireland (air)	\$ 230.00	115.00	63.00	U.S.S.R. (air)	\$ 230.00	115.00	63.00
Ireland (air)	\$ 720.00	360.00	198.00	U.S.A. (air)	\$ 230.00	115.00	63.00
Italy (air)	\$ 248.00	124.00	69.00	Yugoslavia (air)	\$ 230.00	115.00	63.00
Italy (air)	\$ 144,000.00	72,000.00	39,600.00	Zaire (air)	\$ 330.00	165.00	92.00
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Security and Science

Simmering conflict between the intelligence and military branches of the U.S. government and parts of the scientific community became several degrees hotter at a session of the American Association for the Advancement of Science. Adm. Bobby R. Inman, deputy director of the CIA and former director of the National Security Agency, challenged scientists in a wide variety of disciplines to accept a system of voluntary regulation, including prepublication censorship, or be "washed away by the tidal wave" of public anger.

The controversy has its origins in the obscure field of cryptography. In the past decade, rapid developments in computer technologies, including the development of microprocessors, have led to academic and commercial interest in a field that was once the sole province of governments. With such a large fraction of commercial and financial transactions being conducted through computers, there were new reasons to fear industrial espionage, large-scale embezzlement, the invasion of private medical records and so on. The need to develop secure computer codes, coupled with the newly available technologies, brought many people into the area of research that underlies the making and breaking of secret government codes and ciphers.

Exactly how much of a security threat such research poses can be fully answered only by someone with access to the classified material. Experts in this type of research and in the history of cryptography dispute the degree of danger claimed by Adm. Inman and others in the government. But the country's ability to intercept other countries' communications and to keep its own messages secure is undeniably vital, and intelligence agencies are obviously precluded from presenting evidence to support their claims. The most prudent course may be, therefore, to accept the government's assertions that at least some public cryptography research would harm national security, while keeping an ear tuned to those who warn of governmental excess.

Adm. Inman, however, went further. He stated the government's desire to restrict re-

search in a number of other fields, including "computer hardware and software, other electronic gear and techniques, lasers, crop projections and manufacturing procedures." This sweeping but vague list would affect dozens of scientific and engineering disciplines. Justifying it, he said a "hemorrhage" of U.S. technology is heavily responsible for major improvements in Soviet military capability.

Just how widespread such anxiety is in this administration was evident from the brochure "Soviet Military Power," issued last fall by the Pentagon. It described the opportunities provided to the Soviet Union by Western scientific methods, including free communication, detailed publications, conferences and symposia and international exchanges. These, it was noted, provide information valuable to the Russians and therefore damaging to the United States. The trouble is, however, that such practices are also an important means by which U.S. scientific pre-eminence has been achieved. To place too many restrictions on our successful system because it helps a system crippled by comparable restrictions would be foolish.

The openness of U.S. society is a source of both weakness and strength, and always has been. We have not been terribly good at protecting technological secrets that can sometimes provide a major security edge for many years at very low cost. But the same openness has been responsible for producing those technological advances. The cost of an overly cumbersome system of secrecy restrictions in slowing U.S. scientific and technological progress could turn out to be far greater than the advantage denied to our enemies. Moreover, it may simply be impossible to impose; modern science is a thoroughly international endeavor.

This is not to deny that there are valid security concerns that could and should be met. But they seem to us narrower than Adm. Inman and the Defense Department have suggested. If a more plausible case for severe restrictions exists, the government should make it.

THE WASHINGTON POST.

Keep Track of Prices

Prices in the United States have precisely doubled in the past eight years. We offer that observation merely as a point of reference and assistance in everyone's continuing struggle to keep track of things. If you were earning \$15,000 a year in early 1974, and are now earning \$30,000 a year, you have just stayed even with U.S. inflation. You would be able to buy just as much now as you did then — but no more. Not everything has gone up at the same rate, of course. Gasoline is more expensive than it was then, relative to everything else, but clothes are a lot cheaper.

Prices have tripled in the last 17 years. Your \$30,000 would buy what \$10,000 did in 1965. That year, by coincidence, marks the beginning of the great wave of inflation that has been running ever since. It started that spring, with the first impact of accelerated spending on the war in Vietnam. Inflation has never again been as low as it was that year.

By the height of the war, the rate was around 6 percent a year. People considered that intolerable, but they generally believed it would pass when the war ended. Instead, in the early 1970s, a succession of strange events pushed it much higher. The United States devalued its dollar, sold its grain reserves to the Russians, and ran into an utterly unexpected oil crisis. The president of the period, Mr. Nixon, meanwhile turned to a recklessly inflationary strategy to win reelection, then fell into a great scandal and

lost control of policy altogether. By the time he was forced out of office in 1974, the inflation rate was more than 12 percent.

Those experiences had been so peculiar, most people reasoned, that they would never be repeated; inflation would fade away as the country returned to stability. Then some of the events of the early 1970s did indeed repeat themselves — dollar trouble, grain shortages, above all another great oil crisis. In 1979, the inflation rate was more than 13 percent.

Now it has dropped again. But Americans have abandoned the previous view that inflation was merely a side effect of unique historical events through which the country was passing. They have come to think that it is a life of its own and is now so deeply rooted in the economy that it has become permanent. The rate is down to perhaps 8 percent, but much of that improvement is owed directly to a deep recession.

The recession will presently end; will the lull in inflation end at the same time? Having gone through a Vietnam peak, a Nixon peak and a Carter peak, each higher than the last, will it now begin to move upward again in the next economic recovery? Mr. Reagan will have to speak to that question in the next several weeks, in his budget and economic messages. Those annual messages are usually rather dry reading, but this year they are likely to have an unusually attentive audience.

THE WASHINGTON POST.

If Iran Is Listening

So they aren't deaf, after all. One of Iran's mullahs — Ayatollah Musavi Ardebili — recently called a news conference to deny Western reports about the slaughter of adherents of the Baha'i religion. It was not true, he said, that eight Baha'i leaders were secretly executed on Dec. 27. And if "one or two Baha'is" have been killed recently, the murders "were not carried out by official bodies."

Yet there is testimony from Baha'is outside Iran — including names, dates, places — that at least 111 members of the faith have been executed over the past two years. These wholesale killings are the revenge of megalomaniac zealots against a stigmatized religion that originated in Iran a century ago. The Baha'is apparently cannot be forgiven their devotion to peace and tolerance, their belief

in opportunities for women and, not least, their prominence in the professions.

The first victim reported shot on Dec. 27 was said to be Jinnas Mahmoud, a physicist who headed Iran's Meteorology Department. Her son, in Los Angeles, plausibly insists that his mother was killed because her scientific eminence "stuck in the throat of the current rulers of Iran."

Ayatollah Ardebili, the president of Iran's Supreme Court, could easily disprove the charges about a new wave of terror. Let him produce Mrs. Mahmoud and the other named victims. The impression spreads that in the new Iran, there is little tolerance and no mercy for either religious or political dissenters. It is an impression that the world is eager to lose.

THE NEW YORK TIMES.

Jan. 19: From Our Pages of 75 and 50 Years Ago

1907: Ambition of Wrights

PARIS — Captain Ferber, the foremost European champion of the Wright Brothers, of Dayton, Ohio, writes in "Ballooning and Aeronautics": "Everything that the Wright brothers did between 1900 and 1903 is admirable. But in 1903 everything changes. Ambition takes possession of them; feeling that they have got hold of something extraordinary, they wish to be recompensed by a large sum of money. They write to governments of every country saying 'We propose you a flying machine that can make 50 kilometers in the air; we wish a million francs for this machine, which you can pay after the 50-kilometer flight.' But governments have no need of flying machines for the moment. And for having refused to show their machine to journalists, their success is nowhere registered."

1932: Aid for Unemployed

WASHINGTON — While the \$2 billion reconstruction finance corporation to aid business was being ironed out in conference today, the Senate manufacturing committee took steps to provide the unemployed with what may be the first federal dollar in the country's history by approving a \$375 million appropriation for direct federal aid to the jobless. The dollar measure, proposed by two Republican senators, is being opposed vigorously by the administration, and even its passage by the Senate, if it gains the approval of the full manufacturing committee, is not considered likely. President Hoover opposes any form of federal aid for the unemployed and feels that each community should care for its jobless. The present relief program is organized on this basis.

Squatters in the Sinai: Begin's Greatest Test

By Seth M. Siegel

Seth M. Siegel, a lawyer, writes and lectures on the Middle East. He contributed this article to The New York Times.

NEW YORK — In coming months, Israeli Prime Minister Menachem Begin will face the greatest test of his political career — one greater than the challenge posed by Anwar Sadat's visit to Jerusalem and by the agonizing days at Camp David when the peace treaty with Egypt was being drafted.

He is confronted by a challenge from the ranks of longtime supporters who broke with him over the treaty and who oppose the evacuation of the Israeli settlements in the Sinai by April 25, when the final strip of land is to be returned to Egypt. These dissenters, who openly threaten civil disobedience and violence, insist that they will not be removed without substantial bloodshed.

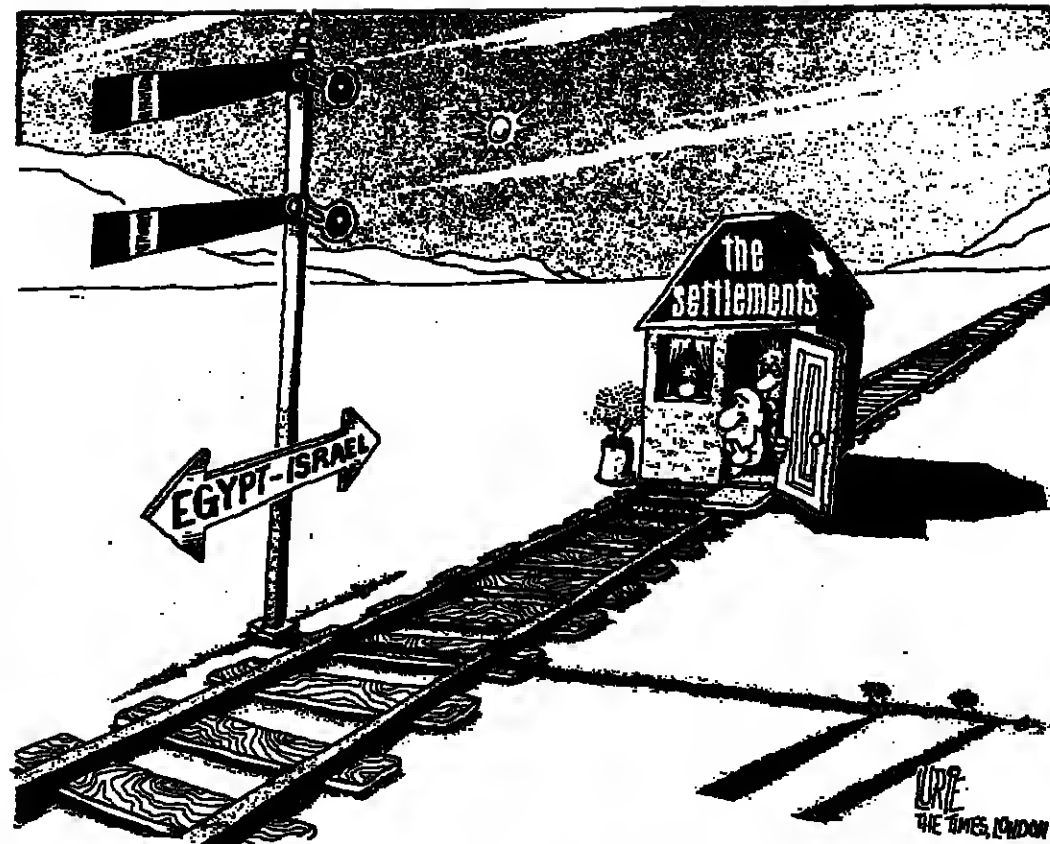
As the date for the final evacuation draws nearer, the number of protesters — who are almost all rightist in either politics or religion, or both — seems to grow constantly in size, and they grow in determination as well. Unlike Israelis who settled in the Sinai soon after it was conquered in the 1967 war and who reluctantly left their

homes in recent weeks after receiving the enormous compensation they demanded from the government, the hundreds of recently arrived squatters — and their thousands of supporters in Israel — claim that there can be no negotiation in their struggle to retain biblical lands and to save the country from future conquest.

Although it is all but certain that the ultra-nationalists will fail to keep the government — isolated internationally and under pressure from Washington — from about Palestinian autonomy from complying with the withdrawal agreement, these protesters nonetheless share a great incentive to make the departure from Sinai as traumatic as possible for Begin and the nation.

These protesters know that if they divide Israeli society today, the country's leaders for years to come will hesitate to consider territorial compromise on the West Bank and Gaza if such compromise can be achieved only at the cost of extraordinary civil strife. The protesters know that by making the withdrawal painful, they will get a significant head start in the inevitable battle over the return of portions of these other territories. They believe they can lose the Sinai battle, yet win their war.

For Begin, the response to this challenge is not simply a matter of invoking the rule of law and calling out the troops. Although there remains widespread support for the treaty, there is at the same time a near-universal uneasiness among Israelis about ultimate Egyptian and U.S. intentions, particularly



with the assassination of Sadat and with President Reagan's apparent attraction to Saudi policy. While it is easy for an outsider to dismiss these concerns as the inevitable overreaction before any leap into the unknown, the level of general uneasiness and the potential for its exploitation by the Sinai protesters help explain why Begin cannot simply rely on the army to remove the squatters.

Many Israelis wonder whether the protesters might not be right in thinking that a few years from now peace with Egypt will be aban-

doned and that only a bitter memory of Arab cunning and U.S. pressure will remain. Thus, Begin cannot afford to allow any evocation of the protesters to glorify them as guardians of the nation's security. This would do lasting damage to Israel's willingness to take risks for peace.

Begin's political stature and his pragmatism have grown since fate made him prime minister shortly before President Sadat's visit to Jerusalem, for it was as prime minister that he helped set in motion the events that are to culminate in

the third phase of the withdrawal. If he had simply remained the head of his party, doubtless he would be leading the protesters today. Certainly, he must feel pained by the opposition of those who for so long called him ha-Mifkad ("the commander").

Whether he will be able to thwart this threat to Israel's freedom of movement and return the last parcel of Sinai without severe domestic trauma and on schedule will be a further test of whether he will go down in history as a true peacemaker, as he wishes.

Tailoring Technology to the Needs of the Third World

By Frank Press

The writer, president of the National Academy of Sciences, contributed this article to The Washington Post.

WASHINGTON — There are far-reaching implications to President Reagan's recent pledge to devote greater amounts of U.S. scientific and technical know-how to Third World problems, as well as his offer to send agricultural teams to Third World countries.

A story of East Africa illustrates the complexity of the problems in the Third World and the need for the kind of commitment the president suggested: Many hotels and restaurants traditionally fired their stoves with kerosene or electricity. But skyrocketing prices forced the owners to convert their stoves to charcoal, which they purchased from local vendors.

Soon, charcoal entrepreneurs were raiding wood supplies in the nearby countryside, forcing the local inhabitants to spend whole days searching for wood and leaving vast areas bare. Without cover, topsoil washed

away and crops failed. Drinking water almost disappeared, too, and many became sick from drinking bad water.

There, in a nutshell, are the major problems of the developing world — energy, unemployment and underemployment, water for drinking and agriculture, food production, and public health.

Within the past 20 years, science and technology have made important contributions to Third World development: high-yielding rice strains, the eradication of malaria, and the application of satellite technology for the discovery and management of natural resources. But future successes are likely to be more difficult.

Food production, for example, doubled over the last 25 years, primarily through increased acreage. A further doubling is needed to meet requirements in the next 25 years, but expanding acreage at the same rate is not possible. The starving and undernourished can be fed only by intensifying

agricultural production, and science will play a key role in achieving this.

The problem is even thornier: tighter economic conditions and our better understanding of the role of chemicals in the environment now make energy-intensive fertilizers and pesticides at best less economic and, at worst, impossible in tropical agriculture. At the same time, massive deforestation to provide crucial fuel wood is causing erosion and flooding, decreasing the moisture needed for food and feed crops and threatening the ecological basis for sustained agricultural production.

Technological solutions must be designed to fit the economic and social conditions of developing countries. East Africa's charcoal makers, for example, use an ancient but grossly inefficient method. A simple answer is to increase efficiency by using charcoal kilns. These exist, but are expensive and stationary while most charcoal makers are poor and itinerant.

Developing countries repeatedly express their desire to achieve some level of self-reliance in science and technology and to participate in defining their own development priorities. This is especially important, for in many areas Western science and technology are not paying sufficient attention to unique Third World problems.

President Reagan correctly identified the training of the Third World scientists as essential. It could have an impact out of all proportion to its costs. But the training must be keyed to the particular problems of the Third World, and employment must be created for those trained or they will be attracted elsewhere.

U.S. science and technology have long been the world hallmark. They are among the country's greatest strengths. One that, properly mobilized and supported, could have an impact far beyond anything achieved so far. We in the scientific community are enthusiastic about the president's proposed partnership with developing countries.



"Nowhere to Move."

A Modest U.S. Strategy Proposal

By Maxwell D. Taylor

The writer, who was Army chief of staff in the Eisenhower administration and chairman of the Joint Chiefs of Staff in the Kennedy and Johnson administrations, contributed this article to The Washington Post.

WASHINGTON — While the Reagan administration is focusing its principal attention on the economic program, it is leaving unattended many serious problems in the realm of military policy. I would like to advance a modest proposal for dealing with three such matters in the strategic field. They are:

- How to pay the bill for reorganizing strategic parity with the Soviets while meeting the legitimate claims of the conventional forces and mollifying the critics of excessive military expenditures.
- How to negotiate a satisfactory arms reduction treaty with the Soviets in the present atmosphere of renewed East-West tensions.
- How to avoid a further arms race if the negotiations fail either to take place or to produce agreement.

My solution is to abandon weapons parity with the Soviets as a national goal and substitute task readiness for it as the measure of the sufficiency of our forces. By so doing, we will reduce weapon requirements, eliminate any need for an arms race and strengthen our position for the occurrence or breakdown of a new round of strategic negotiations.

How to accomplish the foregoing? First, I must ask for at least tentative acceptance of the following assertions: The justification for the existence of our armed forces is to provide the military means necessary — strategic and conventional — to support national policy against

whatever threats may arise from whatever source, but with primary regard to the Soviet Union.

The size, composition, weapons and readiness of the U.S. armed forces should be determined by the military tasks they are most likely to be asked to perform. Task readiness will decide how much is enough.

The strategic forces, having the single capability of inflicting massive destruction, should have the single task of deterring the Soviet Union from resorting to any form of strategic warfare. To maximize their deterrent effectiveness they must be able to survive a massive first strike and still be able to destroy sufficient enemy targets to eliminate the Soviet Union as a viable government, society and economy responsive to the national leaders who determine peace or war.

Such a target system should include the communications and control network by which the Soviet leadership controls military operations; the conventional forces necessary for frontier defense and internal order; the principal industrial centers that must survive to sustain war and provide some hope for a postwar economic recovery; and such unified ICBM silos as can be identified following a first strike. To the extent possible, these targets should be restricted to the region where the population is predominantly ethnic Russian in order to limit the damage in the non-Russian republics.

The number of weapons we shall need will be those required to destroy the specific targets within this system, of which few will be hardened silos calling for the accuracy and short flight time of ICBMs. As a safety factor, we should add extra weapons to com-

pensate for losses that may be suffered in a first strike and for uncertainties in weapon performance. The total weapons requirement should be substantially less than the numbers available to us in our present arsenal.

So much for my proposal in outline. Now for its justification and advantages. To begin with, it would give the military budget a solid basis by justifying the existence of the armed forces and their fund requirements in terms of essential tasks to support national policy. Since their size and composition would be determined by these tasks, Soviet numbers would have little relevance.

The proposed targeting policy should convince the Soviet leaders of the utter futility of a first strike. They would stand to lose their lives, their sources of power and the results of decades of labor to restore their country from the devastations of World War II. What-ever might remain would fall to hostile neighbors, revengeful satellites and the non-Russian elements of their population.

Russia-Japan Impasse Over Issue of Islands

By Ken Ishii

TOKYO — Japan is as determined as ever this year to keep up the pressure on Moscow to return the four islands north of Japan that the Soviet Union seized in the closing days of World War II, and the Russians appear equally determined not to give them up. The question of the "Northern Territories," as the Japanese call them, has long been a barometer of the state of relations between the two countries. And while relations in the 20th century have been cordial, they have been more than usually strained following Japan's criticism of the Soviet intervention in Afghanistan and other actions — most recently Japan's stance on Poland — underlining Tokyo's firm alliance with the West.

The islands are Shikotan, Kunashiri, Etorofu and the tiny Habomai group. The closest to Japan are the Habomais, barely three miles (five kilometers) off Hokkaido. The Japanese have a strong claim. In the Russo-Japanese treaty of 1875, the islands, even then inhabited by Japanese settlers, were not among the 18 of the Kuril Islands to which Russia had laid claim but agreed to cede to Japan in exchange for Japan's abandoning Sakhalin.

At Yalta, the Allies agreed to let Stalin have southern Sakhalin (handed over to Japan in 1905 after the Russo-Japanese War) and the Kurils in exchange for entering the war against Japan, which Moscow did a week before Japan's surrender, in violation of its 1941 neutrality pact with Tokyo. The problem was, no listing was made of which islands constituted the Kurils. Nor did the San Francisco peace treaty, which Moscow did not sign, define the geographical limits of the Kurils over which Japan was made to renounce all claim.

Moscow has consistently rejected subsequent explanations from Washington that the Kuril Islands referred to at Yalta and San Francisco did not include the Habomais, Shikotan, Kunashiri or Etorofu. But in resuming diplomatic relations with Japan in 1956,

Moscow did agree that negotiations for the conclusion of a peace treaty between the two countries, "including the territorial issue," would continue.

The Tokyo government has since kept up an unrelenting public campaign for the return of the Northern Territories. Japanese hopes were kept alive in 1973 by a joint communiqué between then-Premier Kakuei Tanaka and Leonid Brezhnev in which they agreed that concluding a peace treaty "by resolving the yet unresolved problems since World War II" was desirable.

Since 1975, however, Moscow has changed its tune by insisting that Japanese claims over the islands are "baseless and unwarranted" and "instigated directly from outside."

Indeed, the Russians came close here to a sensitive point that the Japanese would prefer to forget about. During their 1956 negotiations with Moscow, they had actually considered relinquishing claim to the Northern Territories in the interests of wrapping up a long-delayed peace pact, but dropped further study of the matter after John Foster Dulles advised them that if Japan gave up claims to the islands, the United States might not return Okinawa.

After Japan and China concluded their peace and friendship treaty in 1978, the Soviet position hardened further. The next tension-raiser was the discovery that the Soviets had been fortifying Kunashiri and Etorofu since the summer of 1978.

Administrative-level talks are in being Wednesday in Moscow for the first time in almost three years, in the hope of preparing the way for talks between the Soviet and Japanese foreign ministers.

But there remains an impasse. Moscow declares that relations cannot improve as long as Japan clings to its territorial claims, and Tokyo insists that relations cannot be normalized until the islands are returned. With both sides adamant, there is little hope for progress in the stalled political dialogue between Tokyo and Moscow.

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Jacques Mitterrand: Thriving in the State of BusinessBy Patricia Painton
New York Times Service

PARIS — President François Mitterrand of France is in the process of nationalizing some industries. His brother, Gen. Jacques Mitterrand, who looks like him and shares his precision of language, is in the business of running a nationalized industry.

François Mitterrand believes that taking over nine of France's largest industrial groups will help solve national problems.

Jacques Mitterrand, a career air force man who now heads Aerospatiale, Europe's largest aerospace company, holds no brief for nationalization as such — he attributes a company's success to good management and not state support.

"I do not understand why a company's performance should be a function of its legal status," he said in an interview. He points out that, in a country from Brittany to central, state-commanded direction since Colbert and Louis XIV, the state has all the tools it needs to direct the economy.

Gen. Mitterrand was tapped in 1975 by his brother's rightist predecessor, Valéry Giscard d'Estaing, to take the helm of Aerospatiale, participant in the ill-fated Concorde and the successful Airbus. His mission: to end the state-owned concern's string of losses.

The turnaround was accomplished by classic business school methods of rigorous cost control, closure of ailing plants, modernizing equipment — and chopping the payroll. In management, "I found a collegial-type direction," said Gen. Mitterrand. Instead, he built a rigid hierarchy — "the company needed to be commanded."

Now, François Mitterrand has appointed him to another six-year term, and it is not difficult to see why. Aerospatiale, product of a gradual nationalization, which began in the 1930s and culminated in the 1970 merger of Nord Aviation and Sud Aviation, lost heavily between 1974 and 1978.

In the last three years, Gen. Mitterrand has churned out profits. Company sales in 1980 were

13.17 billion francs (\$2.3 billion) and profits, 119 million francs. Results for 1981 are expected to be as good. And his sales target for 1982 is at least 23 billion francs.

In his second term, Gen. Mitterrand said, "The problem that really needs looking at is the restructuring of the French aerospace industry."

An industry with international dimensions could be created, he believes, from the interests of Aerospatiale; of Dassault, the plane maker, and of the Matra group in missiles. With the Socialists' nationalization program, Dassault and Matra will come under state control. "That could make it easier," said Gen. Mitterrand. "But, so far, it doesn't figure in the program."

Jacques, 63, and François, 65, received their secondary schooling at a Catholic school in Angoulême in the Cognac region of southwest France. Then their paths diverged, with François studying law in Paris while Jacques went on to Saint Cyr, France's most

(Continued on Page 9, Col. 1)



Gen. Jacques Mitterrand

Haig Warns Japan As Surplus Swells

From Agency Dispatches

WASHINGTON — Secretary of State Alexander M. Haig Jr. delivered a strong warning Monday to Japan's new Minister of Trade, Shintaro Abe, that time is growing short for his country to take positive steps to reduce Japan's hefty trade surplus with the United States.

Japanese officials Monday announced that the surplus for 1981 had soared to a record \$13.4 billion, almost double the 1980 surplus of \$6.96 billion, despite the imposition of quotas on the shipment to the United States of Japanese cars. Both U.S. and Japanese experts expect that the trade surplus for 1982 will be larger.

Japan's trade surplus with the EEC also showed a substantial gain in 1981: \$10.3 billion, against \$8.8 billion in 1980.

Japanese Finance Ministry officials said Japan's exports to the United States of automobiles, tape recorders and other goods remained brisk, while Japan's sluggish economy did not allow for any sharp increase in imports.

Overall, Japan's trade balance in 1981 showed a surplus of \$8.89 billion, up from a deficit of \$10.72 billion in 1980.

In a round of meetings in Washington Monday that included a courtesy call on President Reagan, and a long discussion with U.S. Trade Representative William E. Brock, Mr. Abe got a single message from U.S. officials: Unless the trade surplus begins to shrink instead of swelling, the Reagan administration will be unable to resist the demand for protectionist measures.

In the meeting at the State Department, Mr. Haig told Mr. Abe that there is only a limited period of time in which Japan can take credible actions to reduce their trade surplus with the United States. Specifically, he called on Mr. Abe to make good on the many Japanese promises to reduce their non-tariff barriers, which U.S. and other non-Japanese manufacturers say are thinly disguised means of keeping Japanese markets closed.

Mr. Abe repeated what he had told a meeting in Miami last week-end: Japan is taking a close look at the non-tariff barriers, and would take "drastic" steps to reduce their effect before the end of this month. Assistant Secretary of State Robert D. Hormann, who sat in on the Haig-Abe session, said that Mr. Haig had emphasized to Mr. Abe that the protectionist pressures "are intensifying", and that Japan must come to realize

that trade in reality must be a two-way street.

A U.S. Embassy official in Tokyo, hearing of the 1981 trade surplus, said: "I can't say we're surprised by the figure. It always seems to be creeping up, whichever way you count."

A source in the EEC's Tokyo office said: "It can't go on like this. It's got to stop somewhere."

Among the EEC nations, Japan posted trade surpluses of \$3.55 billion with West Germany, \$2.07 billion with Britain, \$1.05 billion with France and \$57.3 million with Italy.

Meanwhile, the Japanese Economic Planning Agency said Monday that Japan will overtake the United States in per-capita gross national product before the year 2000.

The agency said that the total value of goods and services produced per person in Japan would increase 140.6 percent to the equivalent of \$21,510 by the end of the century from \$8,940 in 1980.

The prediction assumed Japan could sustain an economic growth rate of 5 percent a year after inflation, while growth in the United States and the EEC was estimated at a 3 percent rate.

The agency calculated that U.S. per-capita GNP would be \$17,600 in the year 2000, up 68.9 percent from \$10,420 in 1980. For the EEC as a whole, the figure was projected at \$13,520, up 68.2 percent from \$8,400 in 1980.

Swiss Trade Deficit Cut

BERN — Switzerland's trade deficit narrowed to 240.4 million Swiss francs (\$130 million) in December from a revised deficit of 256 million francs in November, the federal Customs Office said Monday. Switzerland's trade deficit in December, 1980, was 755.3 million francs.

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BUSINESS NEWS BRIEFS**U.S. Trade Ban Hits AEG Turbine Contract**

AP-Dow Jones

FRANKFURT — U.S. economic sanctions banning delivery of turbine parts to AEG-Kanis, the turbine-making subsidiary of AEG-Telefunken, will have a serious impact on the unit's business this year, an AEG spokesman said Monday.

He said General Electric of the United States, which licenses AEG-Kanis to build gas turbines, said it cannot deliver the turbine parts because of sanctions imposed against the Soviet Union by the Reagan administration after the military takeover in Poland.

Construction of the turbines for the planned Soviet gas pipeline to Western Europe "was to have guaranteed capacity utilization at Kanis for the next two years," the AEG spokesman said. He indicated that AEG was looking into possibilities of replacing the U.S. parts with parts made by a producer not bound by U.S. sanctions. But he indicated that technological problems were likely to make this difficult.

Canada Development Seeks Control of Savin

From Agency Dispatches

VALHALLA, N.Y. — Savin said Monday that it was negotiating with Canada Development Corp. to sell it a majority stake in Savin for \$9 a share.

It also said Savin and a number of individuals granted Canada Development options that would give the Canadian company control of about 38 percent of Savin. That percentage, about 2.4 million common shares, would be valued at about \$21.2 million.

Savin also said Monday that a subsidiary will pay \$2.4 million in cash and a one-year note for \$2.8 to buy the assets of Savin Associates, a limited partnership recently organized to market word and data processing products under development by Savin.

Australian Well Tests Called Encouraging

Reuters

MELBOURNE — Broken Hill Pty. said Monday that the Tarwhine-1 well in the Bass Strait has produced 2,600 barrels of oil and 290 million cubic feet of natural gas in a day in tests.

The well was drilled jointly by Broken Hill and Esso Exploration & Production, with whom it operates the existing Bass Strait oilfields, between the Australian mainland and Tasmania, which supply about 65 percent of Australia's oil needs.

A Broken Hill spokesman said the result was encouraging but added further evaluation of the oil and gas bearing sections of the well will be needed before its commercial significance is known.

Giba-Geigy Says Sales Improved in 1981

From Agency Dispatches

BASEL — Giba-Geigy's group profits and sales improved in 1981, with turnover up 14 percent to 13.62 billion Swiss francs (\$7.3 billion) from 1980, the Swiss chemical and pharmaceuticals company said Monday. Profit figures will be published next month.

Earnings increased as a result of real performance improvement combined with favorable foreign exchange rates, it said. The strong sales growth in the first half of 1981 continued into the third quarter, but slowed slightly in the fourth with the economic downturn, the company said.

Pharmaceuticals and agricultural products, with increases of 18 and 27 percent, accounted for more than half of total sales.

Arab Group to Buy West German Bank

Reuters

BAHRAIN — A bank owned by three Arab countries said Monday it was looking for the Frankfurt-based Daus Bank for an estimated \$18 million.

The Arab Banking Corp., owned by the governments of Libya, Abu Dhabi and Kuwait and based in Bahrain, said it would acquire a majority shareholding in the Richard Daus Group, which owns the bank.

ABC President Abdullah Saudi said he foresees no problems in a takeover of a West German bank by Arabs. The takeover is ABC's first, but earlier this month it opened branches in New York and London. Mr. Saudi said it planned to take over banks or open branches in most important financial centers.

Australian, French Firms Get Singapore Deal

Reuters

SINGAPORE — White Industries of Australia and GTM-Coignet of France have signed separate contracts with the state-owned Housing and Development Board here to build prefabricated apartments worth 1 billion Singapore dollars (\$481 million) during the next six years.

Under the contracts, the largest awarded by the board, the companies will build two factories to manufacture 15,000 prefabricated apartment units each. Michael Fann, chairman of the Singapore board, said Monday. The factories will be handed over to the board after the completion of the units, he said.

Hongkong Bank: Back to the Planning Board

By James Sterngold

AP-Dow Jones

HONG KONG — With the rejection of its bid to takeover the Royal Bank of Scotland group, Hongkong & Shanghai Banking Corp. suffered a second serious delay to its international expansion plans and officials indicated that a long process of strategic reassessment will be needed before another major move is made.

Hongkong Bank officials seemed confident until the end that somehow the bid for Royal Bank would be accepted by British authorities. Having been thwarted, executive director Roy V. Munden admitted that while expansion would continue, there were no immediate plans for growth in Europe.

"We really do need some time to sit and think again of another course," Mr. Munden said Saturday.

"Way back, we had looked at a lot of opportunities around the world," Mr. Munden said of Hongkong Bank's planning, but "a lot has changed since then and we need time."

Time-Consuming Bids
Hongkong Bank's plans were set off course because of the unexpected length of time consumed by the failed bid for the Royal Bank group and the earlier, successful, offer for control of Marine Midland Bank of the United States.

Back in the 1970s, when the bank charted its course and started to shed a carefully cultivated image as an extremely conservative bank, its first priority was to make

an acquisition in North America, Mr. Munden said. The bid for Marine Midland Bank, however, created a heated controversy in the United States and it took 2 1/2 years for the acquisition to be carried out.

Then, last March, the original friendly bid for Royal Bank group by Standard Chartered Bank forced Hongkong Bank's hand. John Boyer, then Hongkong Bank's deputy chairman, said at the time that Royal Bank group had been eyed for a long time and topped a list of takeover candidates Hongkong Bank had drawn up.

But the offers languished within the U.K. Monopolies and Mergers Commission since May before it was announced Friday that both bids had been rejected.

Short Term Appears Rosey
The setback has forced securities analysts to reconsider their longer-range earnings projections for Hongkong Bank.

However, several said that the short-term outlook is little changed with the steady growth of recent years — the bank's profits have grown at a 24-percent compound annual rate since 1969 — probably continuing for at least two years.

Also, the bank's subsidiaries have been performing very well, including its merchant bank unit, Wardley Ltd. Marine Midland Bank reported last week that it earned \$87.3 million in 1981, nearly a 50-percent increase from the year earlier.

Vickers, Da Costa & Co. (HK) Ltd., in a report on the bank re-

NYSE Stocks Rebound From Initial Plunge

From Agency Dispatches

NEW YORK — A strong performance by blue chip issues, particularly IBM, pushed prices on the New York Stock Exchange market to a higher close Monday.

The Dow Jones industrial average dropped almost seven points in the first hour of trading but rallied to close up 7.52 points at 855.12.

Advances edged declines, 760 to 700, as volume expanded to 44.92 million shares from 43.31 million Friday.

There is widespread speculation the sharp rise in the U.S. money supply will lead the Federal Reserve to tighten monetary policy, which would push interest rates higher.

The strong early selloff was sparked by the Fed's report late Friday of a \$9.8-billion surge in the M-1 money supply.

Some analysts said the surge was a seasonal blip. The noted the supply surged \$9.2 billion in the same week a year ago.

Analysts also noted the market dropped almost 19 points last week in anticipation of a steep climb in M-1, and they said much of the selling may have already been exhausted.

"The market bounced back this afternoon because of the relatively high selling pressure this morning, which surprised a lot of people,"

Central Bank Intervention Holds Down Rise in Dollar

Reuters

FRANKFURT — European central banks intervened heavily on foreign exchange markets Monday to check the dollar, which was boosted by the prospects of higher U.S. interest rates, dealers said.

Investor fears of a renewed surge in U.S. interest rates also pushed the price of gold below \$370 an ounce Monday morning in London and Zurich, where it opened at \$366.5, \$13 below Friday's close. But gold recovered later to \$373.50 in London and around \$373.50 in Zurich.

In New York, the dollar was surprisingly weak in trading, with dealers blaming profit-taking, which was initially stimulated by the central bank intervention in Europe.

To protect the Deutsche mark, the Bundesbank sold \$102.3 million at the Frankfurt midday currency market fix after selling heavily in the open market throughout the morning, dealers said.

They said the Bundesbank wants to stop the mark falling below 2.30 DM to the dollar because it becomes harder to cut interest rates and stimulate the economy at that level. The Bundesbank is under pressure to cut domestic interest rates and reflate the West German economy.

The Swiss central bank also made smaller interventions to check the dollar's rise, they said, and the Bank of France sold

around \$30 million and 100 million DM to support the franc.

The dealers noted that the mark has been moving up against the French currency recently because France's inflation rate of 14 percent is about twice as high as West Germany's.

The dollar opened much higher against other major currencies on European exchange markets following the Federal Reserve report Friday that the U.S. money supply jumped \$9.8 billion, but the central bank selling later pushed it back to around Friday's closing levels.

As well, Eurodollar interest rates were easier if anything, despite the sharp rise in the U.S. money supply.

U.K. Industrial Output Drops in November

From Agency Dispatches

LONDON — British industrial production fell 1.5 percent in November, reversing a revised two-percent rise in October, the Central Statistical Office reported Monday.

Production by manufacturing industries also fell 1.5 percent, after rising 1.1 percent in October. The seasonally adjusted industrial output index, base 1975, fell to a provisional 100.8 in November, down 0.1 point from November, 1980.

As well, Eurodollar interest rates were easier if anything, despite the sharp rise in the U.S. money supply.

The U.K. commission's report appeared to reduce the possibility of Hongkong Bank making an offer for any other major British institution. Hence, analysts are closely watching continental Europe for the next move.

In the interview, Mr. Munden only mentioned West Germany and Switzerland as being among the countries where the bank may be looking, but he clearly indicated that a takeover was the best means of establishing a European presence.

"We need to acquire an asset base" to form the foundation of a successful banking operation there, he said.

CURRENCY RATES

Interbank exchange rates for Jan. 18, 1982, excluding bank service charges.

	\$	£	D.M.	F.F.	Y.F.	Y.F.	Y.F.	Y.F.	Y.F.
Australia (a)	2.28	4.72	109.50	4.028	4.027	4.028	4.028	4.028	4.028
Belgium (a)	39.30	70.925	17.04	6.795	21.8	15.805	31.167	52.175	5.826
Canada (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Denmark (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
France (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Germany (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Italy (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Japan (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Netherlands (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Portugal (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Spain (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Sweden (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
Switzerland (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
U.K. (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201
U.S. (a)	1.273	4.37	—	—	21.30	1.864	81.8	5.8	73.201

101 Commercial Franc, (b) Amounts needed to buy one pound, (c) Units of 100, (d) Units of 1000.

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Biggest Byte Powers Winchester Disk Drive

By Michael S. Malone
New York Times Service

SAN JOSE, Calif. — While the rest of the electronics industry is bracing to weather the recession, one young business has made an extraordinary debut, one that its partisans compare to the first months of the calculator and digital watch booms of the early 1970s.

Like lots of new technology, the product involved does not sound like much. It is called a micro Winchester drive, or rigid micro disk drive. A micro Winchester drive is a memory storage device for personal computers that use a 5 1/4-inch metal memory disk. It is both a challenger and a companion to the so-called "floppy" disk drive, itself only 10 years old and the memory device now used most often in personal computers.

Just since last January, almost 30 companies have announced their entries into the Winchester drive market, according to John Trifari, West Coast editor of Mini-Micro Systems, a computer trade magazine. And during one particularly busy week last November, at least six companies opened their doors for business.

Vast Capacity

From a standing start in 1980, the market for the micro Winchester drive jumped to almost \$81 million last year, according to Roman Associates International, a research firm in Hayward, Calif. Analysts expect shipments to reach between \$1 billion and \$2 billion by 1985 and eventually account for well over one-third of the entire rigid disk memory market, which last year totaled \$3.6 billion.

The micro Winchester drive's primary attraction is its vast storage capacity on its 5 1/4-inch surface, not incidentally the size of most floppy disks. It is capable of storing up to 10 million bytes, or characters, of memory — the equivalent of three large ovens — compared with 143,000 to 250,000 bytes of

memory for a one-sided floppy disk. And the added storage of the micro Winchester transforms a personal computer from the hobbyist level into a computer with the capacity to run a small business.

A major obstacle that still confronts the micro Winchester drive is its price. While a floppy disk drive for a personal computer costs about \$700 at retail, currently a rigid micro disk drive costs between \$3,000 and \$5,000.

And in addition to the high costs, manufacturers of the micro rigid disk business are currently experiencing their first real marketing test. After a flurry of orders and shipments in the first nine months of last year, business has suddenly tapered off, as computer makers study the different models on the market and begin designing their choices into their machines. This process is expected to take another six months, long enough to strain the financing of all of the micro rigid disk makers.

Already the micro rigid disk market has begun to sort itself out between the early leaders — those that have landed contracts with the big computer makers — and the others that may have to divide up the secondary market of an estimated 300 small, specialty-product computer companies.

The Leaders

According to Andy Roman, of Roman Associates, the leading makers are:

• Seagate Technology Corp. of Scotts Valley, Calif. Founded in 1979, Seagate is the first and largest company in the business and had profits of \$1.7 million in 1980 on sales of \$9.8 million. It already has a contract with Apple Corp., currently the largest micro rigid disk purchaser and the only personal computer maker to announce a rigid disk option for its Apple III, at a cost of \$2,500. Seagate also licenses its micro rigid disk technology to Texas Instruments, and is

rumored to be close to signing a similar deal with Digital Equipment Corp.

• Tandon Corp. of Chatsworth, Calif. Formed in 1975, and with sales of \$34.2 million last year, Tandon now micro Winchester contracts with Tandy/Radio Shack, the largest personal computer maker, and Commodore International, also a large maker of personal computers. Tandon is also a major force in floppy disks.

• Shugart Associates of Santa Clara, Calif. Founded in 1973 by Alan Shugart, Shugart Associates was sold to Xerox Corp. Mr. Shugart subsequently started Seagate. A leading disk maker, Shugart Associates was slow to get started in the micro Winchester drive market, but its pre-eminence in the floppy disk business as well as its expected position as sole supplier to Xerox's office of the future, make it a major contender.

Behind the top three, several other companies are already producing micro Winchester drives. They include: BASF, the giant West German chemical company; International Memories Inc. of Cupertino, Calif.; Irwin International of Ann Arbor, Mich.; Olivetti, the Italian company, and Rotating Memory Systems Inc. of Sunnyvale, Calif.

And Silicon Valley never overlooks the Japanese. In the most intriguing development of all, Sony Corp. has announced it is working on a 3 1/2-inch rigid disk.

Who will finally emerge pre-eminent in the micro Winchester market is still hard to predict. Not all of the leading personal computer makers have announced their choices in suppliers.

The unsigned customers include Data General Corp., Wang Corp., Atari Inc., and the biggest of all, International Business Machines.

Many industry analysts appear so bullish about the micro Winchester market that they predict it can keep absorbing new competitors without strain. "I don't think that the

Romania Details Finances for Western Banks

The Associated Press

VIENNA — Romanian government officials invited Western banks for two days of talks last week in an effort to correct Western ideas about Romania's rising debt and declining economy, a Western banker said Monday.

He said the meeting in Bucharest Jan. 12 and 13 was attended by representatives of the International Monetary Fund and of

major West European and U.S. banks, who were invited according to "principles not discernible to us."

Romania's debt to foreign lending institutions is reported to be the second largest in the Soviet bloc after that of Poland. The nation is also troubled by shortages of food and other basic consumer items.

Officially reported arrests for hoarding, profiteering and other economic offenses have given rise to speculation that the Romanians are suffering from financial ills similar to those of the Poles.

Romanian and Western experts pointed out differences in the two countries, however, notably a lack of organized opposition similar to Poland's Solidarity trade union.

"The Romanians gave an account of their economic situation, apparently in an effort to make a confidence-building gesture," the banker said, requesting anonymity.

He said, "The Romanians want to depict the situation as they see it, and they put their total foreign debt at \$10 billion, a figure the IMF seems to accept." According to reliable Western estimates, however, Romania's foreign debts

amount to \$12.9 billion and may even reach \$16 billion this year.

The banking official said the Romanians did not make any rescheduling requests during the session.

A member of the IMF, Romania received an unspecified credit in the second part of 1981, but negotiations on a second credit installment were stalled, the official said.

The banker said it appeared that the Romanians were seeking to reopen the talks with the International Monetary Fund.

"What they really wanted was to de-dramatize the situation," the official said. "They told us their financial and economic situation in the short term is not good but medium- and long-term prospects are fine."

Norway Forecast Of Oil Income Cut

United Press International

OSLO — Norwegian government officials Monday lowered estimates of state income from North Sea oil fields in 1985 by one-third because of the decline in world oil prices.

Government officials said the income would drop by \$3.4 billion from earlier estimates. The total state income from oil and gas in 1985 now is set at \$6.8 billion. Oil income currently covers one quarter of the 1982 government budget.

The government takes an 85 percent profit tax from the oil companies, and while the reduction is not expected to affect oil activity, the state will be the hardest hit.

When the original estimates were made in the spring of 1981, Norwegian oil was selling at \$40 a barrel and the Department of Oil and Energy anticipated increased prices in real terms over the coming years. Since then the demand for oil has fallen, the Organization of Petroleum Exporting Countries has reduced its crude prices and Norway's Ekofisk oil has been reduced from \$40 to \$37.50 a barrel.



"A price like that," he teased, "and they don't conceal the screws?"



Audemars Piguet

Frère Jacques: The Business Side of the Mitterrands

(Continued from Page 7)

prestigious military academy. They weren't military people, commuted so associate of Jacques, "but it was a way of serving the state."

Aerospatiale conceived the Airbus project, the biggest single civilian aviation manufacturing venture ever undertaken in Western Europe. Designed and built in cooperation with West German, Dutch and Spanish companies, the Airbus, a smaller, medium-range aircraft, hit the market just as airline companies began looking for fuel saving planes. Since 1974,

some 343 have been sold to 42 airlines, just short of the 350 that the company says is its break-even point. (The British, who had dropped out, rejoined in 1979 as orders picked up.)

When Lockheed announced recently the phase-out of its hugely unprofitable civilian carrier TriStar, Airbus was one of a select group of survivors in a field that also includes Boeing and McDonnell Douglas.

Reasons for Success

"We're successful," Gen. Mitterrand said, obviously relishing the

record, "because we're the best — on the technological front. In price it is interesting, however, and we finally learned to be as good as others in after-sales service."

The reference to after-sales service is just one of many concerning the overpowering shadow of the United States in this industry.

Unlike its U.S. competitors, Aerospatiale never had a home market big enough to support the cost of developing aircraft. "We are concerned to export," said Gen. Mitterrand, and under his direction, exports have grown to almost half of the company's sales from one-third in 1975.

In North America itself, Aerospatiale Helicopter has carved itself important market segment. And in cooperation with Ford, with which it is working on Intelant V, it has just landed a contract for Arabast,

a satellite communications system for the Arab states.

"Cooperation has permitted us to gain international credibility in the space sector and has given Ford access to markets that would otherwise have been closed," said Gen. Mitterrand.

One area of cooperation was recently aborted. The Reagan administration plans to cancel a \$1.1-billion order for the Roland, low altitude ground-to-air missiles developed by Aerospatiale, a Franco-German partnership which would have worked with Boeing on the project. "It's unfortunate that the program has been treated so lightly by the Americans," said Gen. Mitterrand.

Of Europe, he said: "Here, too, we are condemned to cooperate because our home markets are too small." But he has no feeling of all-

one-ation-through-business. "Europeans get together only when their interests converge," he said. "Don't be misled by the mythology. Airbus is not Europe, it is simply a plane that sells well."

For his own country, Gen. Mitterrand is not so much concerned that his principal shareholder is the state, but that the state continue to act like a shareholder, leaving management to managers.

He does not take naturally to group efforts despite the pressure for cooperative ventures necessary in a country with a small home market. "The best cooperation is when one is alone," he said. "Second best is when one has 51 percent of a joint venture."

He rejects the suggestion that special treatment from the state helps in such company matters as "a near-quadrupling of capital in his tenure." "We were not subsidized," he insisted. The state played the crucial role of a shareholder who wants profitability and thus participates in the rebuilding of the capital funds of the company.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Japan			
Year	1981	1980	1979
Revenue	2,343.3	2,015.3	2,043.2
Profits	53.0	71.5	57.0
Per Share	58.6	38.0	6.4
United States			
Year	1981	1980	1979
Revenue	1,236	1,100	1,100
Profits	72	64	64
Per Share	2.0	1.8	1.8
Year	1981	1980	1979
Revenue	4,546	3,922	3,479
Profits	222	222	222
Per Share	7.0	7.5	7.5
Year	1981	1980	1979
Revenue	4,000	3,750	3,750
Profits	119.25	182.42	157.0
Per Share	1.9	3.8	2.5
Year	1981	1980	1979
Revenue	153.6	171	171
Profits	4.0	2.1	2.1
Per Share	129.3	73.1	73.1
Year	1981	1980	1979
Revenue	4,469	3,442	3,442
Profits	12.5	10.7	10.7
Per Share	41.22	35.42	35.42
Year	1981	1980	1979
Revenue	797	524.4	524.4
Profits	1.84	1.34	1.34
Per Share	70.54	52.83	52.83

ADVERTISEMENT

TOSHIBA CORPORATION (CDR)

The undersigned announces that as from 26th January 1982 at 12.00 noon (CDR) the shares of the CDR of Toshiba Corporation, each representing 500 shares, will be payable with Dfls. 13.10 net (dividend date: 24.01.1982) plus Yen 3.00 (dividend date: 24.01.1982) after deduction of 15% Japanese tax = Yen 255. = Dfls. 2.52 per CDR. Without an Affidavit 20% Japanese tax = Yen 300. = Dfls. 3.55 per CDR will be deducted. After 30.04.1982 the div. will only be paid under deduction of 20% Japanese tax with Dfls. 12.27 net, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 12th January 1982.

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Amsterdam, 12th January 1982.

WEAKER WORLD COMMODITY MARKETS CONTRIBUTE TO A FALL IN CSR'S HALF YEARLY PROFIT

Summary of CSR Limited's interim report for the half year ended 30 September 1981 and recent developments.

PROFIT AND REVENUE

CSR's consolidated net profit before extraordinary items for the half year ended 30 September 1981 was \$US48.5 million — 30% below the corresponding period last year. Gross revenue was \$US1574.7 million — a fall of 9%.

OPERATIONS

Lower world raw sugar prices significantly reduced group profit. Other activities reporting lower profits included pastoral properties, distilleries, industrial chemicals, the Gove bauxite and alumina project and the Mt Gunson copper mine.

Higher profits were achieved by the coal activities and larger dividends were received from the Indonesian tin mining industry. Better results were reported also by most of the building material product groups.

RECENT DEVELOPMENTS

CSR has recently completed a \$US591 million merger agreement with Delhi International Oil Corporation (Delhi) of Dallas, Texas. Delhi has substantial interests in gas end oil resources in the Cooper Basin and elsewhere in north-eastern South Australia and south-western Queensland. Gas from the Cooper Basin is already supplied by pipeline to Sydney and Adelaide. Plans are well advanced for the construction of a liquids pipeline from the field to the South Australian coast.

Within a few years, Delhi will contribute a significant proportion of the CSR group's revenues and profit. It will enhance CSR's diversification of markets and products and reduce the group's dependence upon exports.

The merger with Delhi requires change to the divisional structure of the company. Accordingly, with effect from 1 April 1982, a Coal Division and a separate Oil and Gas Division will replace the present Energy Division.

During the half year, the sale was completed of the Australian Construction division of the Thiess group. Concrete and quarrying activities have been rationalised by separation of CSR and BMI Limited's interests in Ready Mixed Concrete Limited and by CSR's acquisition of all shares outstanding in Farley & Lewers Ltd.

FINANCE

Issued capital was \$US295.7 million at 30 September 1981.

A 1-for-5 rights issue announced in November will raise \$US155.2 million from approximately 54 million new shares.

Facilities of \$US100 million each were negotiated with six overseas banks to finance the \$US591 million Delhi merger.

Delhi will be re-financed on a limited recourse project finance basis by early 1982.

Exchange rate \$A = \$US1.1414

CSR Limited
1 O'Connell Street
Sydney Australia 2000

The International Herald Tribune invites you to

MEET THE NEW FRENCH ADMINISTRATION

February 8 and 9, 1982 in Paris

The election of François Mitterrand and the subsequent Socialist victory in the French parliamentary elections clearly mark an important turning point for the French economy.

With the cooperation of the new Socialist government, the International Herald Tribune has organized a conference designed to help senior executives of foreign companies judge how the new administration's policies will affect their company's activities and investment in France. Prime Minister Pierre Mauroy will open this meeting on "New French Economic Policies," to be held February 8 and 9 at the Intercontinental Hotel in Paris.

The program will include presentations by Jacques Delors, Finance Minister; Michel Jobert, Minister of Foreign Trade; Michel Rocard, Minister of Planning and Regional Development; Nicole Questiaux, Minister of Social Policy; Pierre Dreyfus, Minister of Industry; Jean Auroux, Minister of Labour; André Chastagnier, Minister delegated to the Minister of Foreign Affairs, in charge of European Affairs; and Laurent Fabius, Minister delegated to the Finance Minister, in charge of the Budget, as well as Jacques Attali, Special Counsellor to the President; Bernard Attali, President of D.A.T.A.R., the French government's regional development agency; Christian Goux, Chairman of the Economic and Finance Committee of the National Assembly, and Thierry de Montbrial, Director of the French Institute of Foreign Relations. Additional insights on various aspects of doing business in France will be provided by André Bergeron, Secretary General of the "Force Ouvrière" trade union, by a panel of international bankers and by a panel of industrialists. The former will include Hervé de Carnoy, General Manager of the Midland Bank Ltd.; Jean Deflassieux, Director of International Affairs, Crédit Lyonnais, and Edouard Veltin, Advisor to the Board of Executive Directors, Beyensche Vereinsbank. The industrialists' panel, to be chaired by David McGovern, President of the American Chamber of Commerce in France, will include: Rudolph Boniface, Chairman of Ford France; Jean Gandois, Chairman of Rhône-Poulenc; Jean-Luc Lagardère, Chairman of Matra; Bernard Latrière, President of Airbus Industries, and Yves Ragouneau, President of Sony France.

Each presentation will be followed by a question and answer period, and simultaneous French-English translation will be provided at all times.

To register for this exceptional international conference, please complete and return the registration form below today.

CONFERENCE REGISTRATION FORM

Return to: International Herald Tribune Conference Office,
181 Avenue Charles-de-Gaulle,
92521 Neuilly Cedex, France.
Or telephone: 747.12.65. Telex: 612832.

Please enroll the following participant for the conference to be held February 8 and 9, 1982 in Paris.

19-82

Surname _____
First Name _____
Position _____
Company _____
Address _____
City/Country _____
Telephone _____
Telex _____

Participation fee: F.F. 5,500 per person (plus 17.6% VAT for registrations from France) or equivalent.

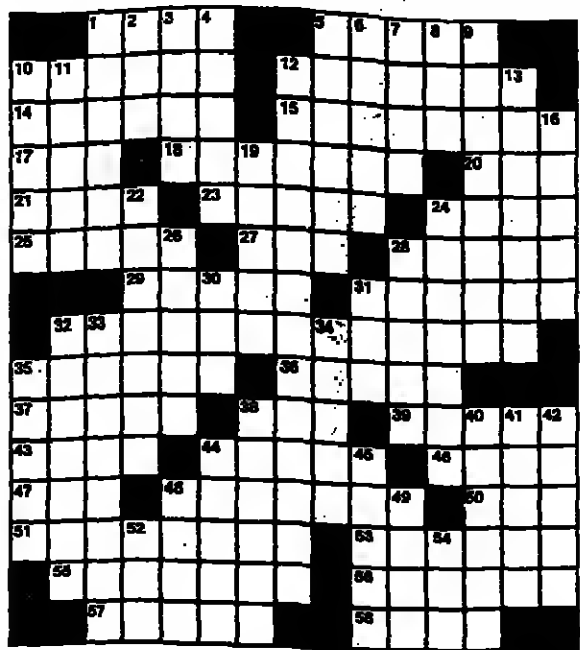
Conference documentation will include a copy of the 1982 edition of the French Company Handbook, the only English language guide to French companies.

☐ Please invoice ☐ Check enclosed

Fees are payable in advance of the conference. Fees will be returned in full for any cancellation that is postmarked on or before January 22. After that date a cancellation fee of F.F. 1,000 will be incurred. Cancellations received by the organizers less than 5 days before the conference will be charged the full fee.

CROSSWORD

Edited by Eugene T. Maleska



ACROSS

- 1 Jetties
5 Wheat species
10 Famous bridge
12 Workshop
14 Where Luanda is
15 Enfeebled
17 Greek letter
18 Taxpayers of a sort
20 Kind of bed
21 Indies
23 Deceitful ones
24 Bottom numbers on an envelope
25 Pleasant Colony or Summing
27 Literary monogram
28 Bully on campus
29 Agra attire
31 Bank occupants
32 Don Shula's men
35 Built a weir
36 Decisive
37 Eastern Indians
38 Criticize
39 Flower part
43 A great deal

DOWN

- 44 Arrive
46 Kansas notable
47 "Waterfowl"
48 Northern weasels
50 Actress Hagen
51 Waiting place
53 W.W. II celebrity
55 Slightly more than 6,000
56 Site of the largest church in France
57 Furniture place
58 Nasty look
1 Machine
2 Trouble
3 Nitwit
4 Slowpoke
5 Stockyards
6 Orchard products
7 Fraternal order
8 Be situated
9 Baker's 130
10 Northern natives
11 Beginning
12 What to have at a fish fry?
13 Schoolbooks
16 Textile workers
19 Needing a respite
22 Oriental seeds
24 Objected
26 Titled ones
28 Mirthful sounds
30 Free from
31 Key city: Abbé
32 Isolates
33 originality
34 Rabbit fur
35 River section
36 Fashion over
40 Pigeon
41 Illinois city
42 Inclines
43 Edge at the junction of two intersecting vaults
45 Neighbor of India
48 Bombard
49 Identical
52 Corrode
54 Haberdashery item

WEATHER

	HIGH	LOW		HIGH	LOW
ALABAMA	64	48	MISSISSIPPI	64	48
ALASKA	17	10	MINNESOTA	32	24
ARIZONA	64	48	MISSOURI	64	48
ARKANSAS	64	48	MONTANA	32	24
CALIFORNIA	64	48	NEBRASKA	64	48
COLORADO	64	48	NEVADA	64	48
CONNECTICUT	64	48	NEW HAMPSHIRE	64	48
DELAWARE	64	48	NEW JERSEY	64	48
FLORIDA	64	48	NEW YORK	64	48
GEORGIA	64	48	NORTH CAROLINA	64	48
ILLINOIS	64	48	NORTH DAKOTA	32	24
INDIANA	64	48	OHIO	64	48
IOWA	64	48	OKLAHOMA	64	48
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KENTUCKY	64	48	RHODE ISLAND	64	48
LOUISIANA	64	48	SOUTH CAROLINA	64	48
MAINE	64	48	SOUTH DAKOTA	32	24
MARYLAND	64	48	TENNESSEE	64	48
MASSACHUSETTS	64	48	TEXAS	64	48
MICHIGAN	64	48	UTAH	32	24
MINNESOTA	32	24	VERMONT	64	48
MISSISSIPPI	64	48	VIRGINIA	64	48
MISSOURI	64	48	WASHINGTON	64	48
MONTANA	32	24	WEST VIRGINIA	64	48
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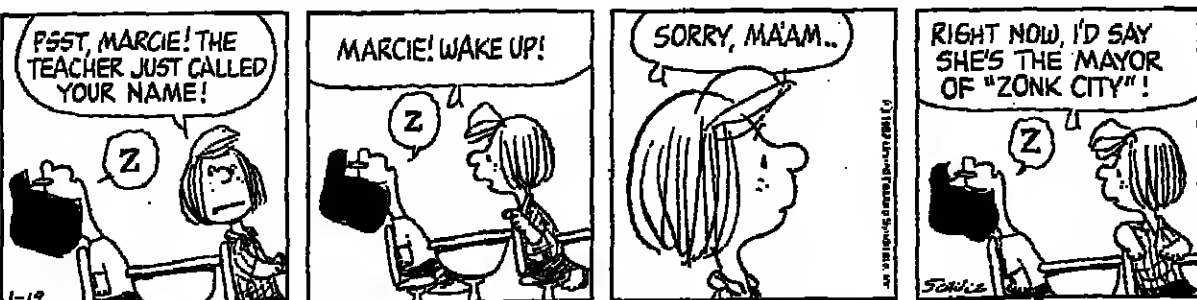
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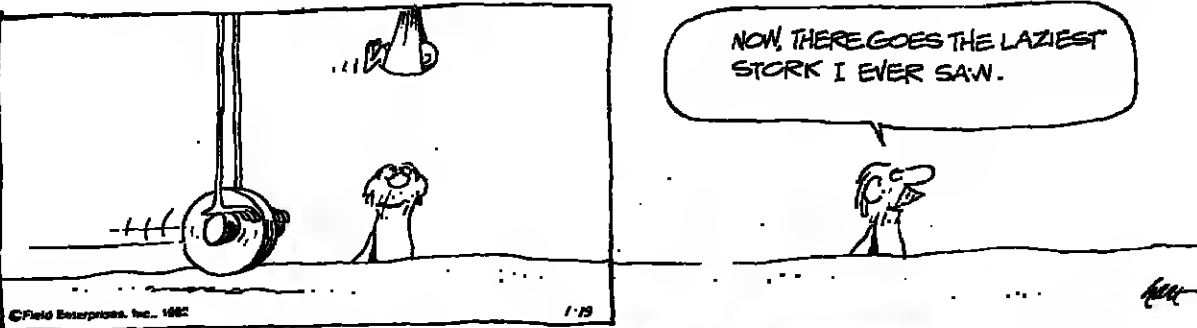
January 18, 1982

BANK OF AMERICA & CO. INC.		UNION BANK OF SWITZERLAND	
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PEANUTS



B. C.



BLONDIE



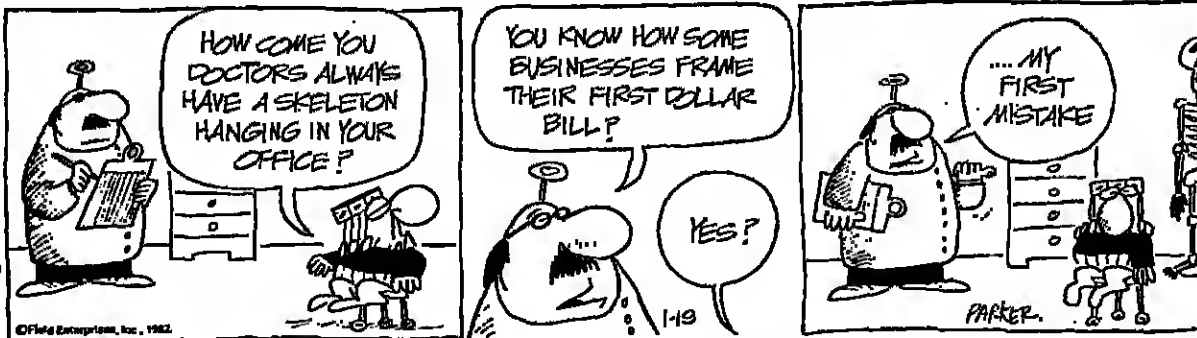
BEETLE



ANDY



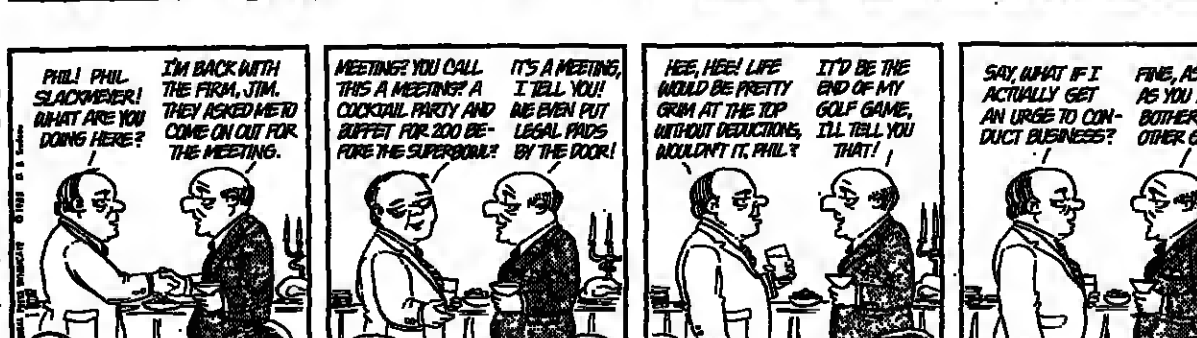
WIZARD



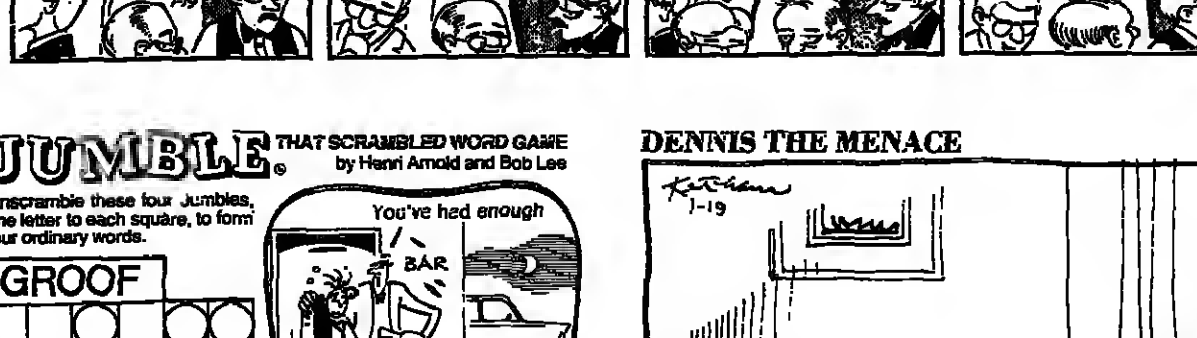
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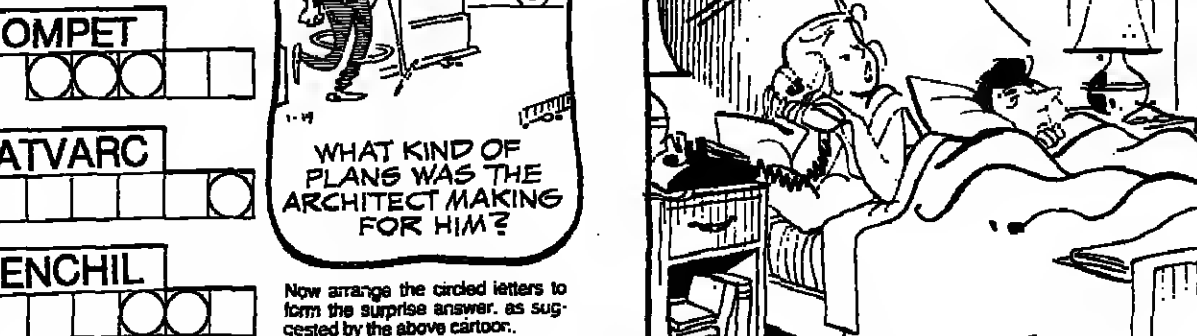
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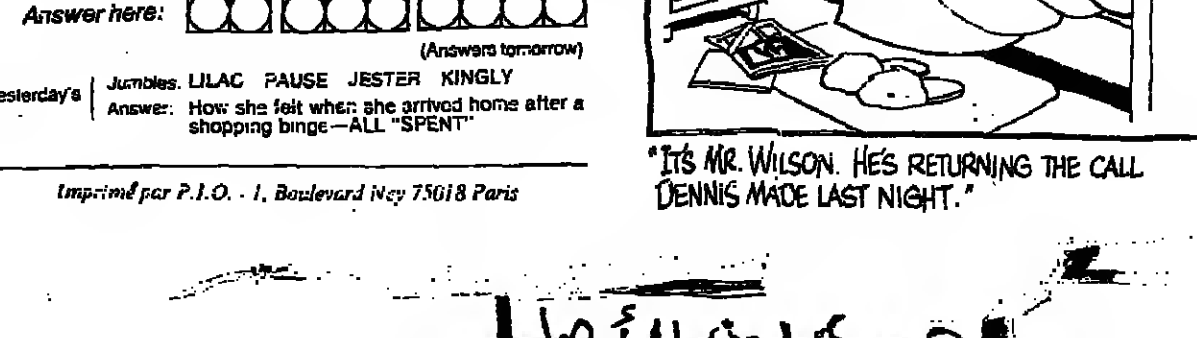
JUMBLE



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AT

Down 2 Sets, Lendl Outlasts Gerulaitis

By Thomas Boswell
Washington Post Service

NEW YORK — If a modern Rodin were chiseling The Forehand, he'd use Ivan Lendl as his model, capturing the Czech in midstrike as he flies along a baseline, readying himself to turn a yellow tennis ball into a golden blur with the flick of a wrist.

Sunday, in the final of the Grand Prix Masters tennis tournament, Vitas Gerulaitis tried to chip that statue into rubble. And he almost succeeded, before losing the \$100,000 top prize, 6-7 (7-5), 2-6, 7-6 (8-6), 6-2, 6-4, before 17,652 witnesses at Madison Square Garden.

Art loves symmetry and, as Gerulaitis has noted, Lendl is lopsided; for 2½ hours, Gerulaitis cruelly critiqued Lendl's flaw — his backhand.

In particular, Gerulaitis exposed Lendl's inability to dig out soft undercut slices below knee level in the backhand corner. Chip, chip, chip: Gerulaitis brought the world's second-ranked player to the brink of a straight-sets upset.

Then, at the last possible instant — down two sets to none and facing match point in a tiebreaker — Lendl showed he was a man and not a statue.

Battling back with heart and an unexpected gift for improvisation, Lendl survived a test of 3 hours and 50 minutes and extended his victory streak to 36 matches and seven tournaments. Although Lendl has won \$1.3 million the past two years, Sunday's was, as he said, "my first big title."

Little was expected of a match between the tournament's top and bottom seeds. It proved to be a delight. Perhaps the most fascinating aspect of tennis is the interplay between contrasting styles: Sunday's was a textbook case in point.

"There's only one way to play this guy," said Gerulaitis, who only got into the hoity-toity eight-man field because Bjorn Borg withdrew. "He's got a lousy backhand... compared to his forehand. You just have to keep chipping it back there and make him stay in one place. Then there's really not much he can do to hurt you."

"But if you make the mistake of going corner to corner with him, like [John] McEnroe tried to do [in Saturday's semifinals], he'll run you ragged."

Lendl's answer to Gerulaitis' challenge was daringly unconventional for an often mechanical player. Lendl chose the same homey solution that most desperate, public-parks amateurs would: For the last three sets, Lendl comically "ran around" his backhand, just like a weekend hacker, even when it took him entirely off the court.

Gotta do what ya gotta do. But for Lendl, who wants to be No. 1 on the planet, it was what you'd call a resolution of the difficulty.

"Vitas started to get tired," said Lendl (who had been telling people here he prefers his first name be pronounced with an E-as-in-evenhanded and not an I-as-in-icy). "His slices to my backhand did not have as much depth or speed. It became easier to wind up for the forehand."

Lendl, 21, is like Martina Navratilova and Hana Mandlikova, a product of Czechoslovakia's tennis development program. His game looks like it came out of a chilly marriage between Borg and a computer.

A decade ago, Borg showed the virtues of top spin from both wings, an unflappable and bland disposition, plus overbearing consistency on passing shots.

Five years later, guess what? The Czechs had cloned the West's best product, and result's name was Lendl. Except that Lendl was, at 6-foot-2, four inches taller than Borg and had a hard serve.

Despite his test-tube tennis virtues, his excellent court manners, his occasional shy smiles and a facility in six languages, Lendl still

Fiori Beats Kite On 2d Extra Hole To Win Hope Golf

The Associated Press

PALM SPRINGS, Calif. — Ed Fiori dropped a 35-foot birdie putt on the second hole of a sudden-death playoff Sunday to beat Tom Kite and win the five-day Bob Hope Desert Golf Classic.

Fiori had to come from behind with a two-putt birdie on the 90th hole — the last regulation hole — to create the tie and force the playoff. He and Kite, last year's leading money-winner, finished the five rounds with 25-under-par 335s, matching the tournament record. Kite had a closing 66 and Fiori a 67.

Both birdied the first extra hole, a par-3. On the second over-par hole, a par-4, Fiori's approach stopped about 35 feet from the flag while Kite's was within about six feet. "I thought the tournament was over," Fiori said later. "Frankly, I thought he had it won."

But Fiori holed out and Kite pushed his birdie putt to the right. Rex Caldwell finished alone in third place with a 337 total; Scott Hoch, with a 30-foot eagle putt on the 18th, had a 338, a stroke ahead of Curtis Strange.

College Basketball Scores

EAST
Queens Col. 80, McNeese 75
Syracuse 75, Georgetown 70
Tulane 61, Wake Forest 58

SOUTH
Virginia 67, Clemson 44
Va. Commonwealth 74, So. Alabama 67

MIDWEST
Missouri 69, Loyola 66
Tulane 56, St. Louis 52

FAR WEST
No. Montana 77, Montana Tech 76

had to prove several things to the tennis community.

After failures at Wimbledon and the U.S. Open, could he win a major? Was he just a tennis cash register, playing in more events than any other top pro but winning mostly events like the Bangor Open?

In the third set of Sunday's match, he provided a lot of answers.

Starting with the last four points of the first-set tiebreaker — when Gerulaitis, down 5-3, pulled out the set thanks to three errors by his opponent — everything went against Lendl. He lost nine of 11 games as Gerulaitis chipped repeatedly to the backhand before picking his spot to come to the net and punch away one solid volley after another.

Lendl's nadir, and the turning point of the match, came when Gerulaitis had three break points in the third game of the third set, which would have put him ahead by two sets and two breaks.

Running wildly around his backhand, Lendl gambled on opening angles and on getting Gerulaitis in a corner-to-corner game. It worked.

On the point that fended off the final break point, Gerulaitis was trapped at the net as Lendl unloaded a loud forehand off a lame volley. The ball smacked Gerulaitis directly in the forehead, knocking him head over heels.

Having blasted his way off the hook, Lendl began his comeback. One more great escape was necessary. With Gerulaitis ahead, 6-5, in the third-set tiebreaker, Lendl — 2 hours and 34 minutes into the match — was down to his second serve on match point.

"I thought he would return and come to the net and make me pass him," said Lendl. "So I gambled and put a little extra on the serve."

Gerulaitis has always had a knack for getting to the brink of greatness and then failing. Once again, just as on a vital break point against Borg in the fifth set at Wimbledon in the 1977 semis, he could not bring himself to the net against that second serve. Gerulaitis stayed planted and ended up hitting a backhand wide.

"I should have come in... Big mistake," said Gerulaitis, who has won two Italian Opens and a WCT championship but over a title that would have matched a victory Sunday. "If the guy can pass you on break point, he deserves to win."

That was the end. Lendl won the next three points and the set. The last two sets seemed, in retrospect, a formality.

Standing at midcourt, holding his trophy, Lendl told the crowd, "Even though you are cheering against me when I play [New Yorker] McEnroe and Gerulaitis, you don't know how much I like you and how very happy I am to have won my first big title in New York."

Lendl finally smiled and the crowd, so cool toward him all week, finally cheered.

Potter Beats Bunge

CINCINNATI (UPI) — Fifth-seeded Barbara Potter defeated No. 4 seed Bettina Bunge, 6-3, 7-6, Sunday to win her first professional tennis tournament.

NBA All-Stars

The Associated Press

NEW YORK — The final battle in the East-West All-Star game for the 1982 National Basketball Association All-Star game, to be played Sunday, Jan. 31.

EASTERN CONFERENCE
Forwards: Julius Erving, Phil. 42,230; Larry Bird, Bos. 38,845; John Drew, Atl. 20,480; Dan Round, Phil. 19,187; Karl Benson, Det. 14,846.

Centers
Artis Gilmore, Cal. 29,213; Darryl Dawkins, Phil. 24,124; Steve Nisley, Atl. 12,272; Ray Rolins, Atl. 12,267; Bob Lanier, Atl. 12,272.

Westerly Conference
Forwards: Isiah Thomas, Det. 32,747; Nate Archibald, Bos. 25,282; Reggie Miller, Chi. 22,584; Sidney Moncrief, Mil. 20,647; John Lucas, Det. 17,055.

Centers
Adrian Dantley, Utah 27,072; Lonnie Shelton, Bos. 24,320; Elvin Hayes, Hou. 19,442; Mark Aguirre, Dal. 18,943; Bernard King, L.A. 18,213.

Guards
George Gervin, S.A. 24,577; Gus Williams, Tex. 24,572; Fred Brown, Tex. 22,857; Dennis Johnson, Phil. 22,851; Ervin Johnson, L.A. 22,818.

Wales Conference
Forwards: Phil. 24,124; Steve Nisley, Atl. 12,272; Ray Rolins, Atl. 12,267; Bob Lanier, Atl. 12,272.

Centers
Adrian Dantley, Utah 27,072; Lonnie Shelton, Bos. 24,320; Elvin Hayes, Hou. 19,442; Mark Aguirre, Dal. 18,943; Bernard King, L.A. 18,213.

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Ivan Lendl

... A backhand he didn't run around on route to his 'first big title.'

Yesteryear Heroes on This Week's Weaknesses

By Michael Katz

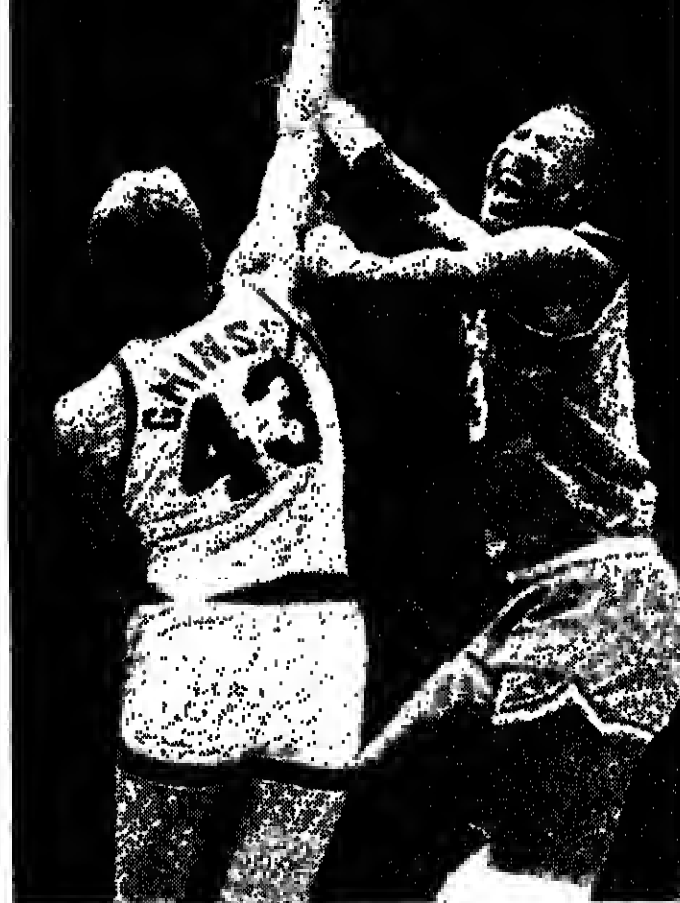
New York Times Service

NEW YORK — It is well under way. The endless talk shows, the swirl of parties, hoopla and hype. Another Super Bowl week.

Fred Dryer, the irreverent defensive end who played in the Super Bowl with the Los Angeles Rams two years ago, wondered, "Who cuts the ribbon and proclaims, 'We are now officially in Super Bowl week?'"

According to several players who suffered the long, almost surrealistic countdown to kickoff, the ribbon-cutter must be the National Football League, the television networks, Hollywood, Madison Avenue — all rolled into a caricature of the all-American capitalist.

The week of excesses can be so bad, suggested former Dallas lineman Pat Toomay, that it might not be worth Sunday's first trip to the Super



The Associated Press

Philadelphia center Darryl Dawkins, selected to the NBA Eastern Conference all-star team, suffered a broken right shin when he collided with New Jersey's Mike Gmiski in the first period Sunday. Dawkins is expected to be out for about two months.

NBA Standings

EASTERN CONFERENCE				WESTERN CONFERENCE			
Team	W	L	Pct.	Team	W	L	Pct.
Atlantic Division				Central Division			
Boston	18	12	.600	Los Angeles	22	10	.688
Philadelphia	16	14	.533	San Antonio	20	12	.625
Washington	15	15	.500	Phoenix	19	13	.594
New York	14	16	.467	Portland	18	14	.563
New Jersey	13	17	.433	Golden State	17	15	.529
				San Diego	16	16	.500
Pacific Division							
Los Angeles	22	10	.688	Seattle	15	17	.467
San Antonio	20	12	.625	Seattle	14	18	.438
Phoenix	19	13	.594	Seattle	13	19	.406
Portland	18	14	.563	Seattle	12	20	.375
Golden State	17	15	.529	Seattle	11	21	.344
San Diego	16	16	.500	Seattle	10	22	.313

NHL Standings

WALEY CONFERENCE				PACIFIC DIVISION			
Team	W	L	Pct.	Team	W	L	Pct.
Philadelphia	15	15	.500	Los Angeles	12	18	.400
N.Y. Islanders	14	16	.467	San Jose	11	19	.364
N.Y. Rangers	13	17	.433	San Jose	10	20	.333
Pittsburgh	12	18	.400	San Jose	9	21	.303
Washington	11	19	.364	San Jose	8	22	.273
				San Jose	7	23	.238
Atlanta Division				San Jose	6	24	.200
Buffalo	17	13	.563	San Jose	5	25	.167
Buffalo	16	14	.533	San Jose	4	26	.133
Quebec	15	15	.500	San Jose	3	27	.100
Montreal	14	16	.467	San Jose	2	28	.071
Hartford	13	17	.433	San Jose	1	29	.036
				San Jose	0	30	.000
Amherst Division				San Jose			
Buffalo	17	13	.563	San Jose			
Buffalo	16	14	.533	San Jose			
Quebec	15	15	.500	San Jose			
Montreal	14	16	.467	San Jose			
Hartford	13	17	.433	San Jose			

Transactions

BASEBALL		COLLEGE	
MINNESOTA — Signed Red Wilson, second baseman to a three-year contract.		Navy — Named Nick Saban assistant football coach.	
TEXAS — Signed Lamar Johnson, first baseman, to a three-year contract. Assigned Ramon Avila, infielder, to Denver of the American Association.		Virginia — Named Ken Mack, Art Marzoni, Frank Ozolski, Tony Whittey, Tom O'Brien, Bob Piccoli and Tim Sherman assistant football coaches.	
National League		National Football League	
MONTREAL — Announced that Jeff Reardon, pitcher, had agreed to terms.		DETROIT — Announced the replacement of Floyd Peters, defensive line coach, as he may become assistant head coach and defensive coordinator for the St. Louis Cardinals.	
Football		Hockey	
DETROIT — Announced the replacement of Floyd Peters, defensive line coach, as he may become assistant head coach and defensive coordinator for the St. Louis Cardinals.		DETROIT — Signed Carvello Mikkel, goalie, to a two-year contract.	
National Football League		National Hockey League	
DETROIT — Announced the replacement of Floyd Peters, defensive line coach, as he may become assistant head coach and defensive coordinator for the St. Louis Cardinals.		DETROIT — Signed Carvello Mikkel, goalie, to a two-year contract.	

U.S. Downhill Flanders Wins First Cup Race

From Agency Dispatches

BADGASTEIN, Austria — Holly Beth Flanders of the United States triumphed here Monday, an upset victory in a women's downhill race, and seemed confident of repeating her performance at the World Championships later this month.

The 24-year-old Flanders flashed down the ice-covered, 3,016-meter track (about 9,950 feet) in one minute, 57.65 seconds to finish ahead of Austrians Lea Soltkner and Sylvia Eder.

Soltkner, the 1978 world slalom champion who has developed a taste for downhill this season, was 29 seconds behind and beat the surprising Eder, 16, by one one-hundredth of a second.

Rough Going

The icy conditions, with much of the race being run in the shade, led to a number of dramatic high-speed falls, but the course was well-protected by nets and no serious injuries were reported.

The track has a vertical drop of 700 meters (about 2,300 feet). "I had a poor start this season, but now it looks like I am getting better from race to race," said Flanders.

"I hope to reach the peak of my

form just in time for the World Championships."

The championships begin at Schladming, Austria, Jan. 27, with the women's downhill race scheduled for Jan. 30.

"I have raced on the World Championship downhill track before and I like it," Flanders said. "I think I can win there if I manage to handle the humps and icy bends as well as I did today."

The American said she found "a pretty good line" and managed to keep her balance even after hitting a few humps along the course.

Not Since '79

"The track was much faster and harder than in training," Flanders said. "I hit a few humps but succeeded in keeping control."

Flanders' previous best result in a World Cup downhill was a third last year at Pinetown, West Germany.

The last U.S. women's victory in a World Cup downhill was Cindy Nelson's at Pinetown in 1979.

Monday's race was the fifth downhill of the season, Canadian Gerry Sorensen having won the last two and Doris de Agostini of Switzerland and Marie-Cécile Gros-Gaudenier of France claiming the other victories.

There will be another cup downhill race on the same track here Tuesday, followed by a slalom on Wednesday before the women's World Cup circuit moves on to West Germany for two more slalom races.

Monday's race was marked by an unexpected heavy defeat of Swiss star Doris de Agostini, who was the best in training but could only place 15th.

"I don't know where I made the decisive mistakes, but there must have been quite a few because my performance was far below what I did in training," de Agostini said. "I hope to do much better tomorrow."

Another upset was the 18th placing of French hope Gros-Gaudenier, winner of the season's opening downhill at Saalbach, Austria.

The French skier, who suffered a heavy spill at last week's downhill at Grindelwald, Switzerland, said she was still hampered by an ankle injury.

"My main aim now is to regain fitness in time for the World Championships. I don't care too much for the World Cup standings."

West German Irene Epple leads the cup standings with 229 points; Erika Hess of Switzerland is in second place.

Tuesday's downhill, which replaces the downhill race canceled at Pinetown, last week, will count toward the alpine combined results together with the slalom on Wednesday.

WOMEN'S DOWNHILL

1. Holly Flanders, U.S.A., 1:57.65
2. Lea Soltkner, Austria, 1:57.94
3. Sylvia Eder, Austria, 1:58.13
4. Irene Epple, West Germany, 1:58.13
5. Yvonne Florschütz, Norway, and Elisabeth Chade, France, 1:58.13
6. Marie-Cécile Gros-Gaudenier, 1:58.24
7. Doris de Agostini, 1:58.24
8. Doris de Agostini, 1:58.24
9. Doris de Agostini, 1:58.24
10. Doris de Agostini, 1:58.24
11. Doris de Agostini, 1:58.24
12. Doris de Agostini, 1:58.24
13. Doris de Agostini, 1:58.24
14. Doris de Agostini, 1:58.24
15. Doris de Agostini, 1:58.24

WORLD CUP STANDINGS

1. Epple, 229 points
2. Eder, 229 points
3. Chade, 229 points
4. Florschütz, 229 points
5. Soltkner, 229 points
6. Florschütz, 229 points
7. Florschütz, 229 points
8. Florschütz, 229 points
9. Florschütz, 229 points
10. Florschütz, 229 points
11. Florschütz, 229 points
12. Florschütz, 229 points
13. Florschütz, 229 points
14. Florschütz, 229 points
15. Florschütz, 229 points

Holly Beth Flanders

... A pretty good line.

5.64 by Ashford Sets Mark In Women's 50-Yard Dash

The Associated Press

CHICAGO — Evelyn Ashford was clocked in a world-record 5.64 in the women's 50-yard dash Sunday at the Chicago Goodwill Indoor Games. Her effort erased the 5.80 set in 1978 by Great Britain's Andrea Lynch.

Ashford's record timing came in a preliminary. In the final she narrowly defeated — 5.87-5.88 — U.S. Olympic teammate Chandra Cheesborough.

Hurdler Renaldo Nehemiah held off nemesis Greg Foster in the 50-yard high hurdles. Their respective times were 6.04 and 6.06.

Foster and Nehemiah, who have competed at 60 meters and 110 meters since their collegiate days, had never raced at 50 yards. "It was too short," said Foster. "The start was the toughest thing to adjust to."

Chuck Aragon upset Sydney Marce and U.S. Olympian Steve Lacy in the mile. Aragon, who won in 4:04.2, took the lead midway through, while Marce was far back. His only real challenge came

De Agostini won her first cup downhill on the same track at Badagstein in 1976, just before the Innsbruck Winter Olympics, and has since emerged as one of the top downhillers on the circuit.

Gros-Gaudenier 18th

Art Buchwald

Who's Soft on Slavery?

WASHINGTON — There is a feeling by some people in the country that the present Justice Department is soft on civil rights, and is trying to turn back the clock on progress made in this field over the past 20 years.

This is not true. Just the other day a lawyer in the Justice Department went in to see his supervisor.



Buchwald

"Sir, there seems to be a group of people in the South that is going to bring back slavery. I think we'd better get on it right away."

"What's the rush, Pettibone? There's no sense jumping into these things unless we know we're on solid legal ground. Now you say these people are going to bring back slavery. What side are you proposing the Justice Department take?"

"The anti-slavery side, sir. It's our duty to defend the Constitution which is the law of the land, and the Constitution says you can't have slaves."

"That's true, Pettibone, but there are other constitutional amendments which must be considered, such as states rights. Now don't get me wrong, I'm not for slavery. I abhor it and always have. But I cannot allow my personal feelings to get involved in a sensitive matter such as this. The legal question we must ask is, would slavery violate the civil rights of those who are being enslaved?"

"Of course it would. A slave doesn't have any rights."

"Is there anything in this Civil Rights Bill that specifically forbids someone from owning a slave?"

"No, because there was no question of slavery at the time it was passed."

"Well, perhaps this is not our case then. After all, we can't go prosecuting people willy-nilly if it is not concerned with our division. We are short on lawyers as it is."

Price Returns to Met

The Associated Press
NEW YORK — Leontyne Price, who hadn't sung at the Metropolitan Opera since the 1978-79 season, triumphed Friday as Leonora in "Il Trovatore," the role in which she made her Met debut in 1961.

because we inherited all those bleeding-heart civil rights cases from other administrations."

"But this is not just another civil rights case. This is the big enchilada. If we don't act immediately slavery could come back to the United States."

"I think you're overreacting, Pettibone. Every lawyer in Justice thinks his is the only case. But when you're sitting in this chair you have to be selective as to what cases the department should take and what ones we should ignore. The one thing this administration has pledged to do is not to clog up the courts with a lot of petty matters that could be settled through reason."

"What do you suggest?"

"Why don't you draft a letter to the people who are going to bring back slavery and indicate we are taking an interest and we're willing to work out a settlement with both sides?"

"What kind of settlement did you have in mind?"

"We would require them to justify their reasons for needing slaves. If, for example, they are taking an interest and we're willing to work out a settlement with both sides, then we might look the other way. But if they just want slaves to do their dirty work for them, then we might consider making a case against them."

"I can't write a letter like that. It's unconstitutional."

"Pettibone, I don't believe it's the Department of Justice's job to decide what is unconstitutional and what isn't."

"What is our job?"

"To see that the laws of the land are carried out as long as they don't offend the people who elected President Reagan. Can you imagine the political repercussions from the ultra-right wing if it got into the papers that we were thinking of suing people who wanted to bring back slavery?"

"If you don't do anything about this I'll go to the papers myself."

"All right, Pettibone, if you feel that strongly about it, get the evidence together."

"And the department will prosecute."

"I didn't say we'd prosecute, but we might submit a brief as a friend of the court."

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Stephane Grappelli
On Jazz and Django

By Michael Zwerin

PARIS — Wearing his best pithy smile, Stephane Grappelli claims to have been a member of the first rock 'n' roll band in the world: "I can't remember anybody who had three guitars before us."

Formed in 1934, the Quintet of the Hot Club de France consisted of three guitars — Django Reinhardt among them — Grappelli's violin and a bass. Their happy swing swing was jazz's first purely European incarnation.

Grappelli, who will be 74 on Jan. 26, is the only original member still going strong. He is all elegance, vigor and urbanity on stage, an illustration of how chronological age can be irrelevant. His time has improved, his choice of notes is richer, his spirit younger than ever.

He tours and records with such people as Oscar Peterson, Yehudi Menuhin, Larry Coryell, Jean-Luc Ponty, and the popular young mandolin star David Gilmour, and he had a role in the film "King of the Gypsies" a few years ago. When he plays with his own group, which varies but is usually close to the original Quintet instrumentation, he keeps his repertoire contemporary with material by Steve Wonder, Ponty and Boz Scaggs.

Now let's go back a few years, 62 to be exact. "I was 12, living with my father. My mother died when I was 3. I lived in a lot of orphanages. My father was a translator and teacher but he was a bit absent-minded and there of ten was not enough to support the two of us. There were many times during the war when I had to fight for a crust of bread. Not very agreeable, mother. That's why now I never have a match of "Dinah." The band's guitarist started playing it with him. This was Reinhardt, and though Django was a Gypsy and the two of them were quite different personally, they would become one of the closest-knit teams in the history of jazz."

"He was sort of untamed," Grappelli said, recalling Reinhardt. "He loved to play cards, fish and party. He loved to play music too but he was rather unreliable. Music to him was

had the time and patience to study. I never had a teacher. Then I got a job with an orchestra that played for silent movies. That's where I learned to read music. We worked two shows a day, seven days a week. It was before social security, family allowances and all that fancy stuff. Maybe we enjoyed ourselves a lot more back then despite our misery."

Violin Passed Along

He gave up the violin in favor of the piano when he was 18. Five years later the French violinist Michel Warlop gave him a violin, and he went back to his first love. That particular instrument has become a good luck charm.

"I made my first recording with Django Reinhardt with that violin. I gave it to Ponty but when he became a star I said he didn't need that any more, we must do a sort of club with it and I gave it to Didier Lockwood. Now that Lockwood is in his turn a star I want to give it to a young violinist who plays with David Gilmour in America. He's full of beans, like an American can be, you know you invented that music."

"In fact black people invented jazz. But now jazz is universal and I can play it anywhere with anybody. For instance I play with Oscar Peterson, Niels Pedersen and Joe Pass (a Canadian, a Dane and an Italian-American), and we have no rehearsal. We just say what we'll play, 'Sweet Sue,' 'I Got Rhythm' or what, in which key, and that's all we say in advance. We start to play and we understand each other."

While working with a hotel orchestra one night in 1934, Grappelli broke a string. Tuning up, he now I never had a match of "Dinah." The band's guitarist started playing it with him. This was Reinhardt, and though Django was a Gypsy and the two of them were quite different personally, they would become one of the closest-knit teams in the history of jazz."

"He was sort of untamed," Grappelli said, recalling Reinhardt. "He loved to play cards, fish and party. He loved to play music too but he was rather unreliable. Music to him was



Jazz violinist Grappelli: "I feel exactly like when I was 20."

something to do when you have the feeling. He was disappointed after his tour of America in 1946, which was a failure. He had counted on taking America by storm. After that he began to feel that everyone was against him. He was illiterate. He did not take the Metro because he could not read the station signs. He did not read the intelligence, however, only instruction. All his intelligence was expressed through his guitar."

Bouncy 'Marsellaise'

Grappelli happened to be in London when World War II broke out, and remained there for the duration. There was a brief reunion with Django after the liberation, when they recorded their bouncy version of the "Marsellaise," which reportedly did not please de Gaulle. He led his own group in Europe during the '50s (Reinhardt died in 1953), began to tour more extensively in the '60s, playing Buddy's Place in New York and Ronnie Scott's in London, and he was featured at the Hilton Hotel in Paris for several years.

In the fall of 1974 he received a standing ovation in Carnegie Hall, and he was a big hit at the Newport and Montreux festivals the following year. His comeback began to take on momentum as audiences heard that this monument was not only alive but kicking. In 1978, the French television variety show "Grand Echiquier" was dedicated to a celebration of his 70th birthday. Jeanne Moreau, Gerard Philipe, Yves Montand and Dizzy Gillespie were among the happy birthday wishers.

For the most part now he plays with people young enough to be his grandchildren. "You know, I feel not all that old with them. It's funny because when I was 20, maybe the music and the public, which I always feel very friendly immediately, maybe they make me feel young. Anyway, I hope it will go on forever."

Stephane Grappelli: Bordeaux, Jan. 20; Toulouse, Jan. 21; Pau, Jan. 22; Dax, Jan. 23; Bombay, Jan. 29; New Delhi, Jan. 31.

PEOPLE: Designer Donations Build Nancy Reagan's Wardrobe

Nancy Reagan is saving thousands of dollars by accepting clothing, from sportswear to gowns, as loans and gifts from U.S. designers, says Sheila Tate, her press secretary. Mrs. Tate said that the style-conscious U.S. first lady is accepting the clothes only to benefit the American fashion industry, and has not gained personally from the variety of expensive outfits obtained without cost. The press secretary refused to say how many items of clothing Mrs. Reagan has received as gifts or loans, or how much they are worth. Many of the couture creations will be passed on to museums after Mrs. Reagan has finished wearing them. The designers have told the first lady they will not take a tax deduction for the donations, Mrs. Tate said. The first lady relies almost exclusively on a few designers, including Bill Blass, James Galanos and Adolfo. But in light of the museum project, others already have begun offering to donate clothing to her. "When the mummies hit the White House, as everyone knows, President Reagan reaches for the jelly beans. But how about Nancy Reagan? According to Redbook magazine, she goes for bananas. The magazine in a review of celebrity snacking habits says Mrs. Reagan is a "low-calorie snacker" who "tends to seek solace in food late at night when she can't sleep. She's too considerate of her husband's rest to risk waking him with the crunch of crackers or celery so she silently peels and eats a banana."

For decades Swedish officials and Jewish leaders have been seeking to learn the fate of Rudolf Wallenberg, the former Swedish diplomat who saved thousands of Jews in World War II and was then presumably interned in Soviet prisons. In a new book, "Lost Hero: The Mystery of Rudolf Wallenberg," Frederick E. Werbell, a Swedish-born rabbi, and his co-author, Thurston Clarke, say that two leading Swedish investigators concluded in 1965 that Wallenberg had died in a Soviet mental hospital a short time earlier, after having been tortured there. The authors said the two investigators, former Prime Minister Tage Erlander, and a Swedish physician, Nanna Swartz, had been given convincing details of Wallenberg's death by high Soviet officials in 1965, but decided to keep the information secret. According to the book, Erlander and Dr. Swartz broke their silence last year.

Home movies taken during the Nixon administration by former White House chief of staff H.R. Haldeman are being made into a television special. The footage, which includes scenes of former President Richard Nixon at his Western White House in San Clemente and aboard Bebe Rebozo's yacht in Key Biscayne, Fla., as well as sequences with world leaders, is being condensed into a special by producer Jim Deveney. "Haldeman's footage is the only film shot in the White House," Deveney said. "This is a once in a lifetime deal. Haldeman said he did not ask Nixon's approval for the project, but he thought the former president would be pleased."

It was a laugh a minute when some of Washington's leading comedians gathered for the annual awards of the Washington Touchdown Club. The club honors achievements in athletics, politics and civic affairs, but the theme of the evening seemed to be one-liners. Before an audience that included sports celebrities and generals as well as regalia, President Reagan presented the club's top honor, the Sam Rayburn Award, named for the late speaker of the House of Representatives, to Secretary of State Alexander M. Haig Jr. Reagan said Haig, who has been embroiled in a series of conflicts with fellow cabinet officers, had been a quarterback who would only call plays "in which he carried the ball himself." It was on the football field, Haig replied, that he "learned the teamwork that has served me so well with you." At one point, Reagan interrupted his

remarks to announce: "I just got a note that Prime Minister [Mikhail] Gorbachev has annexed Steubenville, Ohio." Reagan, who also presented a special award to 87-year-old Ralph MacKenzie, his old football coach at Eureka College in Illinois, saved some of his best material for another award winner, Danny Thomas, the comedian. Thomas, he said, "went to so many award banquets last year that he got tired of poisoning." Reagan added that he had felt embarrassed about hands playing "Hail to the Chief," every time he entered a room — until he learned that for Thomas they played Handel's "Messiah."

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